LEADERSHIP

2009 ANNUAL REPORT

SASKATCHEWAN WORKERS' COMPENSATION BOARD

"LEADERSHIP BEGINS WITH YOU.
EACH INDIVIDUAL PROMOTING SAFE
WORK PROCEDURES CREATES
A SAFER WORKING ENVIRONMENT
FOR EVERYONE."

DAVID R. EBERLE
Chairperson

VISION

In serving injured workers and employers, we excel in the development and delivery of workers' compensation programs and services. In serving all workers and employers, we develop and deliver injury prevention programs and services that move Saskatchewan quickly to zero workplace injuries.

MISSION

In support of our vision, our mission is to: **1** Provide the right service, at the right time, and be cost-effective in our processes. **2** Build positive relationships with workers, employers, and others affected by the workers' compensation system. **3** Build positive relationships and implement programs that move Saskatchewan to zero workplace injuries. **4** Communicate clearly our distinct identity, benefits, and beliefs. **5** Ensure the organizational and financial integrity of the Workers' Compensation Board. **6** Be accountable for our results.

01 Year at a Glance
02 Letters of Transmittal
03 Message from the Board
05 The WCB Board: Structure, Mandate, and Role
09 Message from the Executive
11 Profiles: Leadership Begins with You
11 K-Line Maintenance & Construction Limited
13 *WorkSafe Saskatchewan* Safe Employer Award Recipient Magna Electric Corporation
14 *WorkSafe Saskatchewan* Safe Worker Award Recipient Bruce Skilliter
16 Safe Saskatchewan Inc.
17 Statistical Summary
20 Injury Rates and Claim Durations
21 Balanced Scorecard
26 Management Discussion and Analysis
44 2009 Financial Report
45 2009 Actuarial Certification
46 2009 Auditor's Report
47 2009 Financial Statements
78 Schedule 1 – Administration Expenses
79 Exhibits

YEAR AT A GLANCE

	2009	2008	2007	2006	2005
Number of workers covered[1]	353,384	354,295	346,387	330,981	319,147
Lost time claim rate (per 100 workers)[2]	3.44	3.70	3.80	4.05	4.25
Number of claims reported	39,558	43,303	41,301	40,922	39,904
Number of lost time claims accepted[2]	12,141	13,093	13,166	13,400	13,566
Average duration in days[3]	34.10	33.11	32.08	33.49	34.16
Permanent Functional Impairment awards	638	511	575	509	460
Fatal claims accepted	26	22	21	20	17
Number of appeals filed					
Appeals Department	951	1,064	1,021	1,008	1,149
Board Level	232	219	208	233	306
Return to work percentages					
Secondary treatment centres	89%	88%	88%	92%	87%
Tertiary treatment centres	83%	81%	82%	87%	81%
Claims costs ($ millions)	222.8	205.8	202.0	241.1	205.9
Active employer accounts[4]	38,354	35,946	34,364	33,438	32,851
Premium revenue ($ millions)[5]	255.2	245.2	240.7	226.1	215.3
Average premium rate[6]					
(per $100 of insurable earnings)	1.66	1.69	1.84	1.84	1.97
Investment revenue ($ millions)	27.0	22.0	149.2	87.5	54.8
Benefits liabilities ($ millions)	995.7	969.5	955.3	933.2	871.3
Funded position ($ millions)					
Injury Fund	111.0	109.0	99.0	(4.6)	(21.0)
Reserves	59.7	58.2	57.3	31.0	28.5
AOCI[7]	6.3	(146.5)	91.3	155.3	127.8

1. Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information as at December 31st. Does not include workers for self-insured employers. Prior years have been adjusted. In 2009, Statistics Canada adjusted the average weekly wage. This impacted our formula for calculating number of workers covered. See Management Discussion and Analysis on page 28 for details.
2. Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers; prior years have been adjusted.
3. Average days on compensation based on all Time Loss claims paid within a 12-month period.
4. Includes active employers as at December 31st.
5. Premium revenue regrouped to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.
6. All years are Board approved rates.
7. Accumulated Other Comprehensive Income is defined in the Management Discussion and Analysis.

LETTERS OF TRANSMITTAL

THE HONOURABLE DR. GORDON K. BARNHART
Lieutenant Governor Province of Saskatchewan

May it please Your Honour:
I respectfully submit
the Annual Report of the
Workers' Compensation Board
for the Calendar Year 2009.

THE HONOURABLE
ROB NORRIS
Minister Responsible
for the Workers'
Compensation Board

THE LIEUTENANT GOVERNOR IN COUNCIL:

We are pleased to submit the eightieth
Annual Report of the Workers' Compensation
Board for the year ending December 31, 2009.

Respectfully submitted.

DAVID R. EBERLE
Chairperson

WALTER EBERLE
Board Member

KAREN SMITH
Board Member

MESSAGE FROM THE **BOARD**

Leadership drives organizations.

It sets tone, and defines standards and expectations.

It requires service that makes a difference to customers. And it demands accountability for the choices we make and the outcomes we reach.

At the WCB, leadership is a daily requirement. Whether a front-line employee, manager, executive or Board Member, each of us has a duty to run your WCB so that it meets your needs today and into the future. We must be strategic, efficient and effective. And we expect to be held to a high standard so that you can be confident the system will be available if and when it is needed.

This annual report is our accountability to that high standard for 2009. It is the report card on how well we practiced leadership on your behalf.

For your Board, leadership in financial well-being and in service delivery are the twin pillars of accountability.

From a financial perspective, your WCB continues to be fully-funded. We know that other provinces struggle with weighty deficit issues that sometimes force unpleasant decisions on service or benefits. The financial policies and practices set and monitored by your Board typify the leadership and stability that keeps your WCB on an even financial keel.

Leadership in service delivery means providing the right service, at the right time, and being cost-effective when we do it. In this report you will learn how your WCB delivered service against standards and targets that compare us to the best in our industry. Against those measures, we fared well in 2009.

For your Board, service leadership also means listening to you and considering your feedback. This approach to customer-focused improvement keeps you and us on the same page. In 2009, we encouraged your critique through the Claims Administration and Service Review. Commissioned by your Board, the review found that we provide balanced services to our worker and employer clients, and that our clients are largely satisfied with their experience with us. In several cases, our service delivery ranked as the best in Canada.

We were pleased to see that our service leadership was valued by our customers. For your Board, the opportunities for service improvement identified by the review were equally important. Each of the 21 recommendations was accepted and will be acted upon.

Leadership in the prevention of workplace injuries continues to be a priority. Again in 2009, we made progress in reducing the risk of injury in our workplaces. Still, Saskatchewan continues to have the second highest rate in Canada. We must put an end to this epidemic of harm. There is no other option. In 2010, we will increase our efforts to partner with business and labour leaders, so that our common efforts can achieve *Mission: Zero*.

To all of our stakeholders – employers, workers, the medical community and our valued employees at the WCB – thank you for the trust and confidence you place in us every day. It is an honour to serve you.

WALTER EBERLE
Board Member

DAVID R. EBERLE
Chair

KAREN SMITH
Board Member

THE WCB BOARD: STRUCTURE, MANDATE, AND ROLE

The Saskatchewan Workers' Compensation Board (WCB) is an independent tribunal that administers *The Workers' Compensation Act, 1979* (the Act).

The WCB operates in a manner similar to an insurance company, protecting registered employers from lawsuits when a workplace injury occurs, and providing guaranteed benefits and programs to injured workers in industries covered by the Act. Its costs are funded entirely by Saskatchewan employers in covered industries, through premiums that are based on their industry's injury frequency and costs. Any worker in an industry covered by the Act is eligible for benefits and programs in the event of a work injury or work illness. Any employer in an industry covered by the Act must register with the WCB and pay invoiced premiums.

Over 38,000 firms with more than 350,000 workers registered with the WCB in 2009. In recent years, the WCB annually receives and accepts between 35,000 and 43,000 injury claims. About one-third of accepted claims will be for Time Loss injuries, meaning that the injury required the worker to be absent from work beyond the day of injury. Just over $220 million was spent on worker benefits and programs in 2009.

BOARD STRUCTURE

The WCB is governed by a three person Board – a Chairperson and two Board Members – appointed by the provincial government in consultation with business and labour organizations.

Working together, the Board determines the WCB's broad strategic imperatives and ensures the appropriate oversight of WCB operations and financial and operational performance.

BOARD MANDATE AND RESPONSIBILITIES

Governing the WCB requires the Board to:

1. Provide stewardship and direction through long-range objectives and policies.
2. Recommend legislative change to the provincial government.
3. Safeguard the WCB's resources and assets.
4. Monitor the WCB's performance.
5. Report to stakeholders.
6. Hear and decide final appeals on employer classifications or compensation and benefit decisions.

Saskatchewan is the only Canadian workers' compensation system with a full-time Board. The Chairperson and Board Members fulfill their responsibilities through Committees of the Board, regular and formal meetings of the Board and between the Board and the WCB's Chief Executive Officer (CEO), and by requiring and receiving regular formal reports that monitor the WCB's financial and operational performance. They also review and decide on more than 200 final level appeals each year, and approve new or amended policies throughout the year.

Governing the WCB, and providing the appropriate level of oversight, requires that the Board acquire and maintain skills and knowledge appropriate to their tasks. Board Members:

- Attend industry congresses and symposiums organized by the Association of Workers' Compensation Boards of Canada.
- Attend courses and events from the Canadian Council of Administrative Tribunals that focus on topics like best practices for administrative tribunals.
- Attend training offered through the Foundation of Administrative Justice on best and leading practices, and topics like interpreting legislation, decision writing, and effective hearings.

- Participate in The Directors' Series offered by Deloitte, which focuses on market reforms, financial reporting requirements, and governance challenges.
- Attend educational conferences organized by the International Association of Industrial Accident Boards and Commissions.
- Attend professional development programs and workshops through the Directors' College, a joint venture of McMaster University and The Conference Board of Canada.
- Attend professional development programs through the Institute of Corporate Directors, a joint venture with the Rotman School of Management.

A GOVERNANCE FRAMEWORK THAT DEFINES ACCOUNTABILITY

The Board recognizes the importance of a clearly defined governance framework to support their accountabilities as stewards of the workers' compensation system. The Board's first governance policy was approved in 2000. The policy is reviewed periodically by the Board. A formal review was completed in late-2007 by Deloitte, favourably comparing the policy with best and leading practices exhibited by other organizations or recommended by professional associations.

Elements within the Board's governance structure that define and chart how accountabilities will be met include:

1. WCB Investment Committee

   Fundamental to Saskatchewan's workers' compensation system is the guarantee to workers that benefits and programs will be available if and when they are needed. To back up that guarantee, the WCB is required to be fully-funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of the claims. Termed the WCB's *benefits liability*, the amount needed at the end of 2009 to meet future costs was $995.7 million. Investment assets, the financial resources that back up the guarantee to workers, were valued at $1,246.7 million at the end of 2009.

   The WCB Investment Committee, comprised of the three Board Members, with the WCB's CEO and Vice President of Prevention, Finance and IT serving in ex officio roles, oversees the WCB's financial policies and investments. The Investment Committee is prudent in its policies, goals and objectives to ensure the stability of the WCB. The Committee recommends to the Board the approval of the WCB's Investment Policy and Guidelines and the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the Investment Policy and Guidelines.

   In discharging its responsibilities, the Investment Committee meets quarterly to review investment performance and annually to review the Investment Policy and Guidelines, engages a financial consultant to monitor and advise on the performance of investment managers, and participates in ongoing training of investing and investment management.

2. WCB Audit Committee

   The Board, with the WCB's CEO serving in an ex officio capacity, serves as the WCB Audit Committee. The role of the Committee is oversight.

   The Committee:

   - Annually reviews the Committee mandate and conducts ongoing training in financial literacy.
   - Monitors the auditing, accounting and financial reporting processes.

- Reviews the annual audited financial statements and related disclosures, including the Management Discussion and Analysis.
- Ensures compliance with legal and regulatory requirements; also ensures and periodically reviews internal controls on finance, accounting and legal compliance.
- Reviews and monitors the independent auditors appointed by the Board.
- Ensures the independence and performance of the Internal Audit Department and external auditors.
- Ensures communication among WCB Board Members, WCB management, the Internal Audit department, and external auditors.
- Meets privately with WCB executive management, the Internal Audit Department, the Provincial Auditor, the external auditor and the external actuary.

Through the Committee, the Board also ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The Committee's role does not relieve WCB management of its responsibilities for preparing financial statements that accurately and fairly present the WCB's financial results and condition or the responsibilities of the independent accountants relating to the audit or review of financial statements.

3. Setting Strategy, Monitoring Performance
The WCB's Strategic Plan and broad organizational goals and objectives are set out by the Board. This includes an annual review of the WCB's vision, mission, principles and beliefs, values and strategy statements.

Annually the CEO must submit an Operating Plan for Board approval. Regular management reports are supplied to the Board Members.

The annual Strategic and Operational Plan is published and forms part of required reporting at the WCB's Annual General Meeting. The Saskatchewan WCB was the first Canadian compensation board to hold annual stakeholder meetings as part of its governance and accountability framework.

4. Budget and Employer Rate Approvals
The CEO prepares an annual budget for Board approval. Monthly reports are provided to the Board, with variance explanations when financial targets are not met.

Employer premium rates are set through a rigourous process that includes the advice and oversight of an external actuary. Once the proposed rates have been presented to stakeholder groups, and those groups have had an opportunity to address concerns to the Board, the rates are approved by the Board.

5. Code of Conduct
Effective governance recognizes that boards of directors have a responsibility to influence the culture of the organizations they govern. The WCB's Board adopted a Code of Conduct in 2000 that serves as a guideline when conducting the business of the WCB.

The Code of Conduct established a set of principles, foremost among them being an obligation of accountability to *'... workers, employers, the general public and government. This obligation includes the competent, conscientious and effective accomplishment of the duties of the Board.'*

Other principles include a focus on strategic direction, decisions that serve the best interests of all stakeholders, monitoring and reporting on the WCB's performance, and ensuring the capability of governance through the continuing development and education of Board Members.

At the direction of the Board, WCB management developed a Corporate Code of Ethics that reflects the Board's own Code of Conduct, and that is intended to guide employees in their decisions and actions. Management monitors and reports on employee compliance with the Corporate Code.

SETTING HIGH STANDARDS; EXPECTING RESULTS

As stewards of the workers' compensation system, the Board expects management to meet high performance standards and holds the organization to a reporting standard that ensures transparency for stakeholders.

Financial performance is monitored through the Board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is part of regular stakeholder events like the WCB's Annual General Meeting and Annual Rate Setting Meetings, and through the WCB's annual reports.

Program and management performance is measured through a corporate Balanced Scorecard that tracks the WCB's achievement of the Strategic Plan set by the Board. The WCB has been publishing its Balanced Scorecard as part of its annual reports since 1999. Metrics include worker and employer service satisfaction measures, time to first payment after an injury, time to process appeals, stability of employer premium rates, fully-funded status, the injury rate, and program metrics like cost per Time Loss claim, and the percentage of injured workers who return to work.

Another initiative implemented by the Board ensures that the WCB's policies and procedures are reviewed regularly and amended when required. The initiative requires that each policy and its operating procedure are reviewed by management at least once every three years.

The Board and the WCB's executive management recognize that compliance with legislation and policies, and effective and efficient operations, require continual monitoring of operations and, in particular, key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and include file reviews by Team Leaders for completeness and accuracy. The WCB's Team Support department provides another element of quality control through random file reviews of short-term and long-term injury claims, payments and vocational rehabilitation files.
- An Internal Audit Department that provides independent, objective assurance and consulting to the Audit Committee of the Board and to management and that evaluates processes for risk management, internal control and governance.
- An appeals process that provides injured workers and employers with an objective review of WCB decisions and actions. Appeals can be heard and considered by the Appeals Department and by Board Members.
- A Fair Practices Office that receives concerns related to the fairness of WCB actions and decisions, and where appropriate, forwards to WCB managers recommendations to resolve concerns.

Please visit the WCB's website at **www.wcbsask.com** for more information on Board governance, the WCB's operations and performance, and to view the WCB's 2009 Stakeholder Report and the Annual Report of the WCB's Fair Practices Office.

MESSAGE FROM THE **EXECUTIVE**

For us, leadership is about staying focused on our plan, adapting it when necessary, but staying true to our long-range goals and objectives.

And that's paying off for our clients.

We know that our two principal stakeholder groups – Saskatchewan workers and employers – hold us to high standards of performance. They expect our benefits and programs to be available when needed, but that we maintain that state of readiness with a keen eye on costs. For that reason, we strive to be an efficient and effective organization with a conservative management style.

It's a management approach that is grounded in our Strategic and Operational Plan. And in this annual report, you will see that our attention to the WCB's long-range plan is delivering industry leading results.

To us, leadership is about making the most of the opportunities that are presented to the WCB. We benefited from a provincial economy that did not experience the dramatic recession swings of 2008 and 2009. Growing provincial payrolls meant that premium revenue rose, even with a drop in the average premium rate, and almost offset the drop in investment income.

The provincial workplace injury rate has again declined. And the number of reported claims dropped last year; the first time we've seen a year-over-year decrease in reported claims since 2004. Both these results reflect the direction of our Strategic and Operational Plan, and the investments we have made in programming and services that eliminate the risk of workplace injury in our province.

Mission: Zero is our hallmark prevention initiative. When it was first introduced, we knew it was ambitious. Two years later, it is a rallying cry that has found its audience and helped to drive the injury rate down to its lowest level in 20 years.

We recognize and applaud the efforts of workers and employers across Saskatchewan who embraced *Mission: Zero* and worked together to make their jobs and workplaces safer. Because of you, we surpassed our injury rate reduction target for 2009. There is still work to do. We still have the second highest injury rate in Canada. The momentum to turn that around is building. We'll work with that momentum through 2010 to keep safety and prevention a top-of-mind issue.

We combine leadership in safety and prevention with leadership in service delivery to keep your compensation system efficient and effective. Our return to work programs contributed to the stability we saw in 2009, too. Claim durations remained much the same and we continue to report the lowest composite durations in the country. As a result, claim costs remained relatively stable. This allowed us to lower the 2010 average premium rate by 1.8 per cent – the fifth such reduction in the past six years, and a cumulative reduction of 20.5 per cent since 2005. More than 33,000 Saskatchewan employers will pay lower premium rates in 2010.

Once again, our annual report includes year-end results on financial and operational measures that represent the broad scope of our services and performance. The Management Discussion and Analysis (MD&A) describes these measures, and our results in 2009. We encourage you to read the MD&A and let us know if you have any comments.

We know that none of the 2009 results is possible without your commitment to our critical prevention and return to work goals. We also are indebted to our WCB employees for their professionalism and dedication to service. Thank you for your continuing support.

DONNA KANE
Vice-President
Human
Resources
and Team
Support

GRAHAM TOPP
Vice-President
Operations

GAIL KRUGER
Vice-President
Prevention,
Finance and
Information
Technology

PETER FEDERKO
Chief Executive
Officer

PROFILES

LEADERSHIP BEGINS WITH YOU

JIM KELLETT and TYLER PERKINS
of K-Line Maintenance & Construction Limited

PROFILE 1

K-LINE MAINTENANCE & CONSTRUCTION LIMITED

K-Line Maintenance & Construction Limited is a global company with roots in Saskatchewan that go back to 1981. It has resources to engineer, design, construct, commission and maintain electrical and utility infrastructure across Canada and the world. According to Jim Kellett, Senior VP of Operations and Engineering in the Construction Sector, much of their success is attributed to a world-class managed safety program.

Because K-Line employees are required to work around a variety of potential hazards, there are numerous risks for injury. Despite the often-dangerous environments they may find themselves in, K-Line employees are among the safest in the country. Why? "It's become part of our culture," says Kellett. "It's essential that every employee knows that safety is a top priority and we enforce that mindset daily." Reminders include a "tailboard conference" before every single job, every single day. "We use these meetings to go over what the task will be. Then we're able to decipher what the associated hazards would be and what mechanisms we're going to use to manage, control or eliminate them," says Tyler Perkins, a Journeyman Lineman with the company. In addition, all employees attend monthly safety meetings where near-misses and incidents are reported and discussed. "I think that the formality of these meetings helps heighten awareness," says Kellett.

"Once you start to view what you put into your safety program as an investment you'll be able to see a real return on investment."

JIM KELLETT
of K-Line Maintenance & Construction Limited.

Another key to success is complete trust and comfort from employees. "We've got our employees feeling comfortable enough to report a significant number of near-misses," says Kellett. "This is crucial because it allows us to be proactive about safety rather than reactive." By learning from near-miss incidents, employees improve best practices and continually make an already impressive safety record even better.

For Kellett, it just makes business sense. "We treat our safety program as an investment, rather than a cost. There are people that will argue this, but once you start to view what you put into your safety program as an investment, you'll be able to see a real return on investment." Kellett reports a number of customers that choose K-Line based primarily on its superior safety program. "We believe that when a client hires us, they aren't just getting our skills and abilities, they're also getting our safety expertise – which in turn minimizes their liability."

At K-Line, emphasis on safety is a mindset that trickles down from the top. "Senior management has the most ability and responsibility to drive a safety culture within any organization," says Kellett. Trying to drive a safety focus from the front lines is difficult. "even if frontline staff has a great safety mindset, you can't expect them to take on that responsibility for the entire company."

Perkins backs this belief, and says that support from management is essential when it comes to workplace safety. "Sure it's everyone's responsibility to be safe and look out for each other, but unless senior management demonstrates a commitment to safety, employees won't be inclined to take on a leadership role and enforce safe practices."

As a Senior VP, Kellett certainly walks the walk. He sits on the boards of multiple safety associations across the country and believes that once management buys in, employees are sure to follow. He's also a member and strong supporter of the CEO Health and Safety Leadership Charter led by the Conference Board of Canada. Launched in April 2005, the CEO Charter Initiative was created to support the continuous improvement of health and safety in the workplace. Kellett is one of the initial members to sign the Charter, and strongly believes in the values it promotes. "I've definitely seen the benefits of this program." Kellett believes the CEO Charter Initiative could also be beneficial to Saskatchewan workers and employers. "For employees, it confirms that management is committed to their safety and well-being. And for employers, it provides a huge network of experience and best practices to tap into."

While K-Line has a very successful safety program, Kellett is keenly aware that things can change in a heartbeat. "You can't rest on your laurels when it comes to safety. Every day is a new day, and you always have to be prepared for the worst-case scenario."

PROFILE 2

WORKSAFE SASKATCHEWAN
SAFE EMPLOYER AWARD RECIPIENT
MAGNA ELECTRIC CORPORATION

Magna Electric Corporation isn't your typical electrical company. After starting out as a small family-like business, the company has grown – but the family atmosphere remains, in part because of management's unwavering dedication to workplace safety, and an honest belief in the company's safety slogan: "Safety takes you home."

With nearly 30 years of providing power system solutions to customers throughout North America and select international markets, Magna Electric has become known as a leading electrical service provider. The company regularly works with high voltage power systems. And while that is dangerous enough, adapting to their customers' work environments makes working at Magna even more challenging. "We work in large industrial facilities, mines, steel mills, construction sites and a variety of other locations," says President Kerry Heid. "Every industrial plant or utility substation you go to has a different configuration. You have to interpret what kind of power system you're dealing with and then decide what level of personal protective equipment you need to wear and how to put the equipment in an electrically safe working condition."

Knowing what type of risk management is needed is part of understanding and following the new CSA Z462 Safety Standard, introduced in Canada in 2008. The standard addresses safe work practices and protection of workers around energized electrical equipment. And it's something Magna Electric takes very seriously. In fact, Heid is an executive member on the technical committee that helped develop the standard in Canada. "We've taken our electrical safety program and shaped it around the new standards," Heid says.

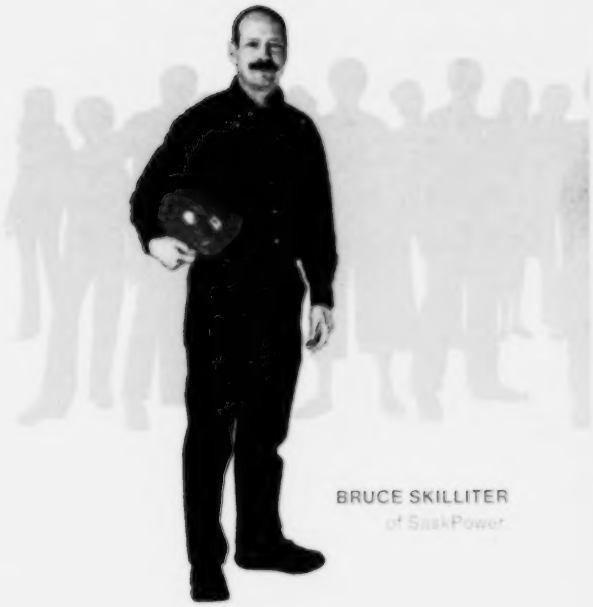
"At the end of the day, we want people to feel like they've done a good job. But more importantly, we want them to do it in a safe way."

KERRY HEID
of Magna Electric Corporation

"In doing so, we've created an industry-leading safety program that is being adopted by large industrial companies around North America."

Heid believes that emphasis on safety must begin with management. "A lot of companies can say they want to be safe, but when the president donates a lot of his personal time travelling around the country to help develop a safety standard – that sends out a pretty strong message that we're serious about safety." It's a sentiment echoed by Jeff Gessell, Magna's Corporate Safety Manager. "Through my experience I've seen both sides of the spectrum, and I can tell you that support from management is of utmost importance." And all that support has paid off. Magna has a stellar safety record. "When you do what we do for a living, and your safety record is what it is, that says a lot about the professionalism of our workers," says Heid.

Magna's dedication to safety is also paying off with industry recognition. The company recently received the *WorkSafe Saskatchewan* Safe Employer Award. It's an accolade that makes Heid proud, "This award is really about all the people on our teams that are buying into our safety program 100 per cent and applying it out in the field every single day." Jeff Gessell agrees. Which is why he nominated the company for the award. "The safety culture at Magna Electrical Corporation really is a team effort. In an industry with very few second chances, it's nice to know that getting home safe at the end of the day is everyone's top priority."



BRUCE SKILLITER
of SaskPower

PROFILE 3

WORKSAFE SASKATCHEWAN
SAFE WORKER AWARD RECIPIENT
BRUCE SKILLITER

For SaskPower employee Bruce Skilliter, workplace safety is something to be taken seriously. A lot has changed in the 31 years he has spent with the company, yet one constant remains – safety on the job is vital.

Working as a District Operator/Supervisor for SaskPower, Bruce Skilliter is responsible for troubleshooting and restoring power after an outage. The job requires employees to work with extremely high voltages, often alone and in less than ideal work conditions. "It can be a very dangerous job," says Skilliter, "there's really no margin for error when you do this for a living. Which is why safety always has to be top of mind."

"Safety is more than just a piece of paper; it's a lifestyle."

BRUCE SKILLITER
of SaskPower

And keeping safety top of mind is something SaskPower aims to do on a daily basis. Over the years, new safety policies have been created in support of the company's dedication to safety in the workplace. Such policies include a fatigue management program that caps hours at 14 per day. "Years ago it wasn't unheard of for workers to put in 34-hour shifts," says Skilliter, "and that's when accidents would happen." In addition, SaskPower has a dedicated Occupational Health and Safety Department and Safety Officers in every region. Monthly meetings include "Safety Talk" which gives workers a platform to raise any safety concerns they may have. New employees also receive extensive safety training during a mandatory four-month apprenticeship. "Overall it's just common knowledge that safety is a priority here," says Skilliter, "it's continually enforced that not following these standards can result in serious injury or even death."

But safety is much more than just a set of checklists or risk and assessment forms. For Skilliter, safety is a way of life. "You have to stop and think about what you're doing, assess the situation and ensure you're taking the best measures to stay safe." And helping others to really think about safety was one of Skilliter's goals when he and several colleagues created Safety Days. The two-day event was developed for SaskPower Transmission and Distribution staff and includes a variety of safety stations where employees learn about various aspects of safety on the job. "The idea evolved out of our safety conferences. We thought it would be an excellent opportunity for people to get some real hands-on safety training," says Skilliter. The two-day event includes realistic critical injury recreations, where real emergency personnel are on hand. "It's an eye-opener for a lot of workers. You never really know how you'll react in an emergency situation - so it's a great way to learn."

Helping to create Safety Days, also earned Skilliter the *WorkSafe Saskatchewan* Safe Worker Award. "It was a lot of work," he says, "but I had help and we're all proud of what Safety Days is accomplishing." Nominated by his former supervisor, Skilliter is pleasantly surprised by the recognition. "I'm proud of the award, and it's good to know that something I worked on is helping teach others how to stay safe on the job."

"As a society, we must start taking a more holistic view of injuries, one that extends beyond the workplace."

GORD MOKER
of Safe Saskatchewan

PROFILE 4

SAFE SASKATCHEWAN INC.

Safe Saskatchewan Inc. is a not-for-profit organization led by a consortium of public, private, cooperative and non-profit sector partners dedicated to ending the provincial unintentional injury epidemic.

While the organization believes workplace safety is essential, its leaders believe a higher priority also needs to be placed on preventing injuries outside the workplace. In a province where off-the-job injury rates are among the highest in the country, and twice that of the workplace, there's a lot of work to be done.

Chief Executive Officer Gord Moker is up for the challenge. "Each day in Saskatchewan, 435 people are injured. Of that total, 26 people are hospitalized, 10 people suffer permanent disabilities and one person dies. The majority of these injuries occur away from the workplace," says Moker. In addition, the annual cost of preventable injuries to the Saskatchewan economy is one billion dollars. "Our goal is to create a change in society that will improve the lives of the people of Saskatchewan, measurably enhance the economic environment for business and save millions of dollars in health and social costs."

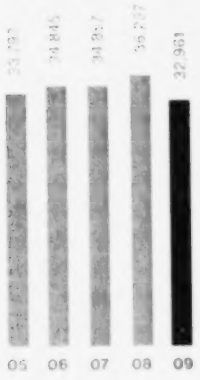
Moker is excited by the progress he has seen and the passion for safety that has been sparked. He hopes that the success of *WorkSafe Saskatchewan's Mission: Zero* initiative can be extended outside the workplace and into the communities throughout Saskatchewan. "*Mission: Zero* has changed a lot of perceptions, and we need to build on that in our off-the-job injury prevention messaging." Even so, Safe Saskatchewan is seeing some progress.

Telephone survey results over the past four years show a steady increase in public perception about injuries. "We're seeing more and more people agreeing that injuries are preventable," says Moker, "and that's a good sign, because it means people are starting to think about injury prevention in a new way – and talk about it with their families at home."

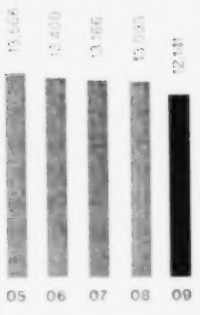
This unique provincial injury prevention coalition is currently led by Access Communications Co-operative Limited, K-Line Maintenance & Construction Limited, Mosaic Potash, Saskatchewan Ministry of Health, Saskatchewan Safety Council, SaskPower, SGI, Sherritt Coal, *WorkSafe Saskatchewan*, and Yara Belle Plaine Inc. and has received support endorsements from over 35 provincial and national organizations. "Business to business communication and collaboration in injury prevention will be a key to improving off-the-job injury prevention. The more community leaders get behind this initiative, the safer Saskatchewan's culture will become," says Moker. "We need help in demonstrating our mission of working together to eliminate unintentional injuries in Saskatchewan and in realizing our vision of an injury free Saskatchewan where safe lifestyles influence how we live, work and play."

STATISTICAL SUMMARY

CLAIMS REPORTED[1]



CLAIMS ACCEPTED[2]



TIME LOSS CLAIMS[3]

1 Claims Reported: New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, www.wcbsask.com.

2 Claims Accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers. Prior years have been adjusted.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work related, still pending, and/or duplicated within the system. Prior years have been adjusted.

4 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims for self-insured employers, claims not covered under the Act, not work related, still pending, and/or duplicated within the system. Prior years have been adjusted.

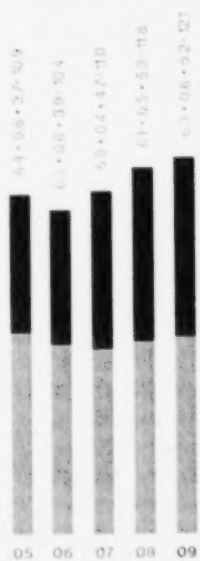
5 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at February 11, 2010 for 2009 claims reported. Claims are not accepted when the industry is not covered by *The Workers' Compensation Act, 1979*, a claim is not work related, or no further information is received following the initial report of the injury. Total may not equal due to rounding.

NO TIME LOSS CLAIMS[1]

FATALITIES

In Year[1]

Prior to Year[4]



UNACCEPTED CLAIMS[5] **(%)**

Not Work Related

Not Covered Under Act

No Further Information

2009 TOP FIVE INDUSTRY CODES WITH INJURIES*

Industry Code	Number of Claims Reported
G22 Health Authorities, Hospitals, Care Homes	5,139
C32 Grocery, Department Store, Hardware	1,601
G31 Cities, Towns, Villages, RMs	1,509
T42 Transportation, Courier, Commercial Bus	1,464
B13 Commercial, Industrial Construction	1,308

* All claims reported and accepted in 2009.

2009 TOP FIVE OCCUPATIONS WITH INJURIES*

Occupation	Number of Claims Reported
Nurse aides, orderlies and patient service associates	1,839
Truck drivers	1,279
Retail salespersons and sales clerks	1,200
Welders and related machine operators	1,148
Other labourers in processing, manufacturing and utilities	1,057

* All claims reported and accepted in 2009.

DEPENDENT SPOUSES

New Awards 2009	24
New Act Wage Loss Recipients (including 2009)	375
Old Act Life-Time Pension Recipients	178

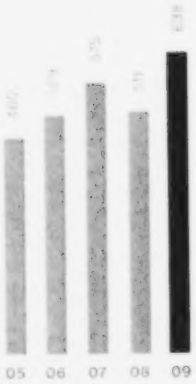
LONG-TERM EARNINGS REPLACEMENT AWARDS

New Awards 2009	153
Number receiving at December 2009	2,064

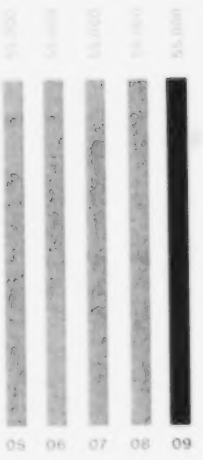
2009 TOP FIVE AREAS OF INJURY*

Body Part	Number of Claims Reported
Back	5,988
Fingers	4,695
Eyes	2,303
Shoulder	2,080
Head	1,969

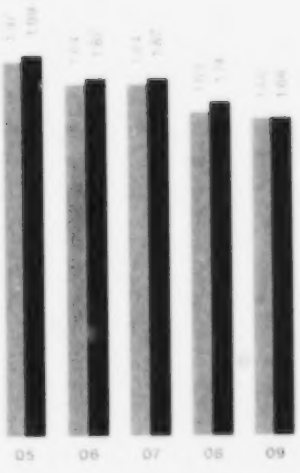
* All claims reported and accepted in 2009.



NUMBER OF PERMANENT FUNCTIONAL IMPAIRMENT AWARDS



ASSESSMENT CEILING



AVERAGE PREMIUM RATE

*Average Board approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** The rate consists of the base rate net of experience rating. 2009 rate was the Board approved rate at time of publication.

NUMBER OF ACTIVE EMPLOYER ACCOUNTS*

*Active employers excludes employers whose assessment accounts were finalized during the year.

ASSESSABLE PAYROLL (Billions)

*Payroll provisional as at December 31st. Previous years' figures have been updated to reflect actual assessment payroll.

INJURY RATES AND CLAIM DURATIONS

RATE CODE	DESCRIPTION	% OF WORKERS INJURED WITH TIME LOSS					AVERAGE DAYS †				
		2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
All Class*		3.44%	3.70%	3.80%	4.05%	4.25%	21.9	22.1	21.1	21.9	21.6
A21	Farming & Ranching	4.12%	2.79%	5.31%	4.44%	5.02%	32.4	42.1	36.9	33.2	48.7
B11	Construction Trades	5.75%	6.46%	7.19%	7.53%	9.28%	15.6	14.8	16.9	17.6	19.8
B13	Commercial, Industrial Construction	4.37%	7.38%	6.57%	7.05%	7.93%	30.8	24.5	22.4	34.8	25.3
C32	Grocery, Department Stores, Hardware	2.82%	2.87%	3.14%	3.37%	3.11%	18.6	18.4	19.0	18.9	20.7
C41	Co-operative Associations	4.19%	4.27%	4.11%	4.54%	4.71%	19.4	19.6	13.0	15.7	20.5
C61	Automotive, Implement Sales & Service	2.49%	2.35%	2.35%	2.40%	2.82%	20.3	16.8	20.6	17.4	19.9
D32	Operation of Oilwells	0.97%	0.73%	1.21%	0.82%	0.89%	35.7	24.2	32.4	31.3	14.2
D51	Service Rigs, Water Well Drilling	2.20%	4.90%	2.77%	3.12%	3.65%	48.2	44.5	37.5	49.0	45.9
D71**	Open Pit Mining	0.50%	0.93%	1.08%	0.68%	0.94%	16.3	36.4	10.4	7.7	14.7
D73**	Underground Hardrock Mining	1.36%	2.38%	2.79%	3.17%	2.15%	46.0	51.7	25.7	23.3	24.7
G11	Post Secondary Education	1.35%	1.36%	1.36%	1.95%	1.47%	11.3	18.2	16.7	22.1	12.3
G22	Health Authorities, Hospitals, Care Homes	6.12%	6.12%	6.26%	6.31%	6.59%	23.8	23.8	23.0	25.5	25.9
G51	Government of Saskatchewan & Ministries	3.23%	3.05%	3.02%	3.75%	3.54%	24.6	23.5	26.1	25.5	24.2
M33	Refineries & Upgrader	1.31%	1.46%	0.78%	1.15%	1.14%	24.9	24.0	21.2	17.4	15.7
M42	Bakeries, Food Prep & Packaging	4.46%	2.78%	2.59%	2.87%	3.21%	20.0	22.4	15.5	21.2	19.0
M72	Processing Meat, Poultry & Fish	6.91%	11.97%	10.24%	12.32%	12.95%	15.5	13.8	16.6	12.8	12.6
M91	Agricultural Equipment	6.72%	10.30%	9.66%	11.94%	10.77%	15.8	14.3	12.9	13.4	10.1
M94	Iron and Steel Fabrication	7.96%	11.01%	14.27%	16.11%	16.99%	14.4	18.9	16.1	12.8	11.8
S11	Legal Offices, Financial, Drafting	0.32%	0.38%	0.26%	0.37%	0.39%	17.7	28.2	30.9	22.6	11.8
S21	Community & Social Services	1.51%	1.39%	1.91%	1.88%	2.18%	18.1	16.7	17.4	17.6	22.0
S23	Hotels, Motels, Taxis	2.70%	2.44%	2.71%	2.80%	2.58%	22.8	26.9	24.3	24.8	24.1
S33	Caretaking, Park Authorities	2.59%	2.48%	3.32%	4.21%	4.56%	25.3	17.4	23.0	25.0	23.7
T42	Transportation, Courier, Commercial Bus	7.17%	5.91%	6.41%	7.74%	8.53%	29.4	31.1	31.9	31.9	34.8
T61	Commercial Air Transportation	1.19%	1.89%	1.90%	2.14%	3.67%	35.4	16.8	24.4	24.2	15.7
U31	Electric Systems	1.67%	1.80%	1.95%	1.76%	2.31%	11.5	15.2	21.1	16.1	18.4

% of Workers Injured with Time Loss equals Time Loss claims divided by number of workers covered. Number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code. In 2009, Statistics Canada adjusted the way average weekly wages were determined.

* All Class Injury Rate excludes self-insured claims and workers. Prior years have been adjusted.

** In 2006 there were rate code reclassifications in class D. For years prior to 2006 the injury rates and average days shown are those calculated under the new classification scheme.

*** In 2003 there was a rate code reclassification in class F. For years prior to 2009 the injury rates and average days shown are those calculated under the new classification scheme.

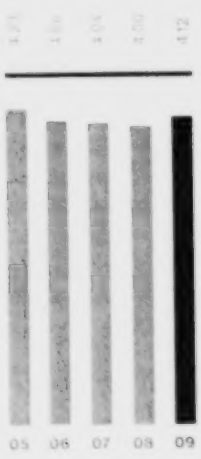
† Average days on compensation based on current year Time Loss claims registered.

BALANCED SCORECARD

STAKEHOLDERS

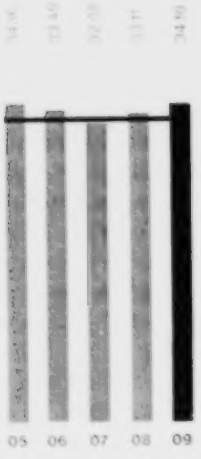
WORKER SERVICE FEEDBACK

Measure — Target 4.75



EMPLOYER FEEDBACK

Measure — Target 4.75



TIME LOSS CLAIM DURATION

Measure — Target 32.35

WORKER SATISFACTION

Shows injured worker satisfaction with WCB services, using a quarterly random survey of claimants. A rating of 4 or above indicates that overall, workers are satisfied with the quality of service provided by the WCB.

2009's average satisfaction improved to 4.16 out of 5.0.

EMPLOYER SATISFACTION

Shows employer satisfaction with WCB services using a quarterly random survey. A rating of 4 or higher indicates that overall, employers are satisfied with the quality of service provided by the WCB.

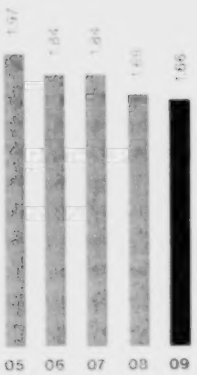
Employers' 2009 average satisfaction improved to 4.12 out of 5.0.

CLAIMS

Indicates the average number of days paid for Time Loss claims, represented by all Time Loss claims paid within a 12-month period.

The 2009 duration is the highest in four years which may indicate an increase in the severity of claims.

FINANCIAL



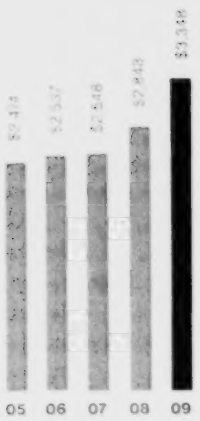
AVERAGE PREMIUM RATE

Measure

STABILITY OF RATES

Shows the change in employer rates over time.

2009's average Board-approved employer premium rate net of experience rating was $1.66. This rate was 1.8 per cent lower than in 2008 and resulted in Saskatchewan continuing to have one of the lowest premium rates among provincial jurisdictions.



ADMINISTRATION COSTS PER TIME LOSS CLAIM

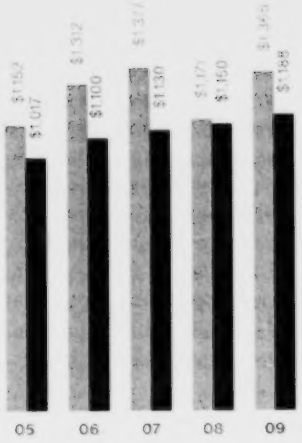
Measure

2009 Target $3,331

ADMINISTRATION COSTS PER TIME LOSS CLAIM

Demonstrates the average cost of administering a Time Loss claim, an important measure of administrative efficiency.

In 2009, the administration cost per Time Loss claim was $3,348. Saskatchewan has the lowest administration cost per Time Loss claim in Canada according to AWCBC indicator ratios (most recent figures available are for 2008).



FULLY-FUNDED STATUS (millions)

Assets Liabilities

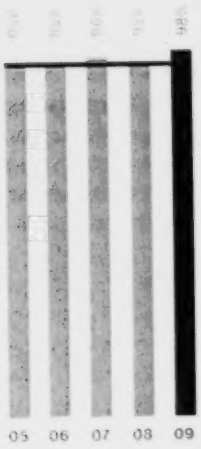
FULLY-FUNDED STATUS

Illustrates the comparison between the WCB's assets and liabilities.

For 2009, assets were $1,365 million and liabilities were $1,188 million.

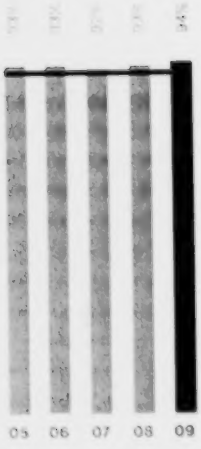
The WCB continues in its ability to fund 100 per cent of its legislated requirement.

INTERNAL



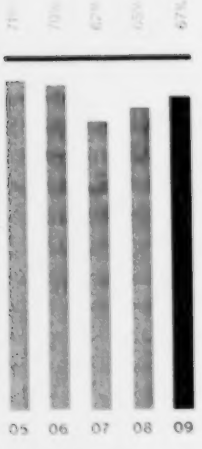
ACCURACY OF ENTITLEMENT DECISIONS QUALITY ASSURANCE

Measure — Target 95%



RETURN TO WORK

Measure — Target 92%



TIME TO FIRST PAYMENT

Measure — Target 75%

ACCURACY OF ENTITLEMENT DECISIONS QUALITY ASSURANCE

Independent quality assurance reviews are made to determine accuracy of entitlement decisions.

At 98 per cent, 2009's results surpassed the 95 per cent target.

RETURN TO WORK

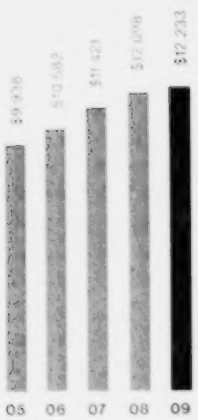
Depicts the proportion of injured workers who have returned to work after being declared employable.

Based on all closed claims, 94 per cent of injured workers returned to work in 2009. The remainder either moved to long-term compensation, or did not return to work for reasons not related to their claim. This result exceeds the 92 per cent target.

INCOME REPLACEMENT

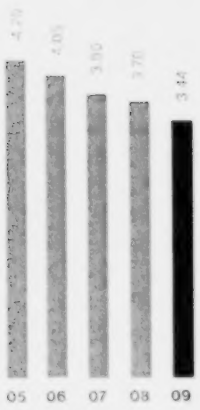
Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.

By comparison, 75 per cent of eligible workers received their first cheque within 14 days of the date the WCB was notified of the injury.



COMPENSATION COST PER TIME LOSS CLAIM

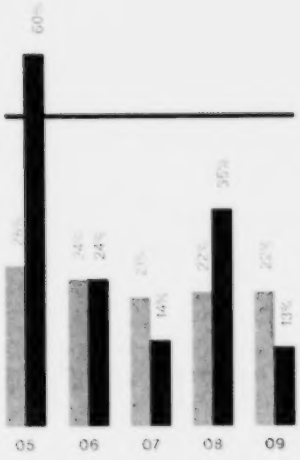
Measure



INJURY RATE

Measure

2009 Target 3.50%



TIME TO PROCESS APPEALS

Appeals Department

Board Appeals

Target 50%

COMPENSATION COST PER TIME LOSS CLAIM

Measures the average current year compensation cost per Time Loss claim (all claims in the system).

In 2009, each Time Loss claim saw an average of $12,233 spent on short and long-term wage replacement, health care, and vocational rehabilitation costs.

INJURY RATE

Measures the number of Time Loss injuries per 100 workers.

The provincial injury rate continues to drop, reaching 3.44 per cent in 2009, a 30.5 per cent reduction since 2002. The goal is to reach 3.30 per cent by the end of 2010.

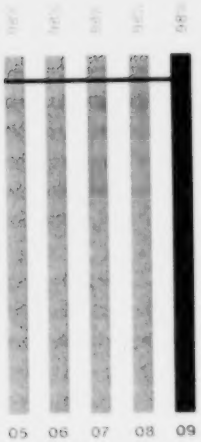
APPEALS

Depicts the length of time to process an appeal from the date it is received by the WCB until a decision is rendered.

As in 2008, the percentage of appeals processed within 30 days at the Appeals Department remained stable at 22 per cent. The length of time between when the appeal is received to when a decision is rendered has been steadily decreasing. It is now 45-50 days compared to a high of 180 days six years ago.

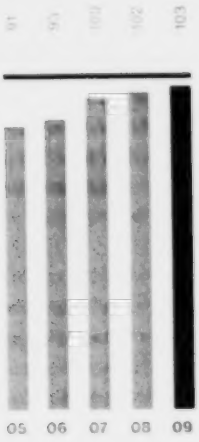
The number of Board appeals was up slightly in 2009. The Board area experienced some difficulty in meeting its targets for turnaround time. Restructuring of the Board Services Department is planned for 2010 to address these problems.

FOUNDATION



DEMONSTRATED COMPETENCE

Measure — Target 90%



EMPLOYEE ENGAGEMENT

Measure — Target 106

DEMONSTRATED COMPETENCE

Indicates the percentage of employees demonstrating required competencies for their jobs.

Introduced in 2005, this measure has been consistent at 98 per cent year over year.

EMPLOYEE ENGAGEMENT

WCB introduced a new survey to assess employee engagement for 2009.

Results translated into a score of 103 (using the same method to calculate the culture survey as was used in previous years).

Overall, WCB scored 1 percentage point higher in employee engagement when normed against the Canadian Public Sector average.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is the responsibility of management and is intended to provide a narrative explanation of the Saskatchewan Workers' Compensation Board's (WCB's) financial conditions and results of operations for the year ended December 31, 2009. The WCB Board carries out its review of the MD&A following a recommendation from the Audit Committee.

The MD&A should be read in conjunction with the audited financial statements and supporting notes as its purpose is to complement and supplement these documents. Forward-looking narrative statements contained in this discussion and analysis represent management's expectations based on information available as of March 3, 2010. Because forward-looking statements involve certain risks and uncertainties, actual future results may differ from those anticipated in this discussion.

BUSINESS OVERVIEW

Overview of Our Core Business

The WCB's vision is to serve injured workers and employers by excelling in the development and delivery of workers' compensation programs and services in Saskatchewan. Furthermore, the WCB seeks to serve *all* workers and employers by developing and delivering injury prevention programs and services that will help Saskatchewan move quickly to zero workplace injuries. The WCB does this by:

- Providing support to injured workers, their families and employers when they need it most.
- Returning injured workers to wellness, including the return to suitable employment.
- Developing and promoting injury prevention programs for all insured workers and employers through the *WorkSafe Saskatchewan* partnership.
- Building collaborative relationships that serve the interests of both workers and employers.

Each year, the WCB develops a Strategic and Operational Plan to achieve core business objectives and to support corporate strategies. The plan incorporates programs and projects in the following areas: Excellent Service, Effective Processes, Competent People and Financial Integrity. A detailed presentation of this plan together with key performance tracking measures can be found at **www.wcbsask.com**. Additionally, the *WorkSafe Saskatchewan* Memorandum of Understanding signed in 2008 created a Strategic and Operational Plan that captures injury prevention initiatives and projects. This plan is updated annually and can be seen at **www.worksafesask.ca**.

Risk Management

Risk management is an important component in achieving the objectives outlined in the Strategic and Operational Plan. Risk reduction takes place in the planning, budgeting and performance management cycles. Senior managers annually update a risk register to identify and assess risks that could prevent the WCB from achieving its goals as set out in the Strategic and Operational Plan. The WCB has identified the following risk exposures that could have a significant impact on WCB's ability to achieve its goals:

- **Project Management** – Projects are undertaken at the WCB to accomplish its goals and objectives. Many projects vary in complexity. There is risk that projects may fall short of expected targets, timelines and results if they are not properly planned, executed and monitored.
- **Workplace Injuries** – The WCB's focus is *Mission: Zero*. WCB is working towards eliminating workplace injuries. There is a risk that WCB is not effective in influencing the number of workplace injuries in Saskatchewan.
- **Management Information** – Decisions at WCB are largely based on the data and information in its systems. Inaccurate or incomplete information may significantly affect WCB decisions.

2009 OPERATIONAL HIGHLIGHTS AND FUTURE PROSPECTS

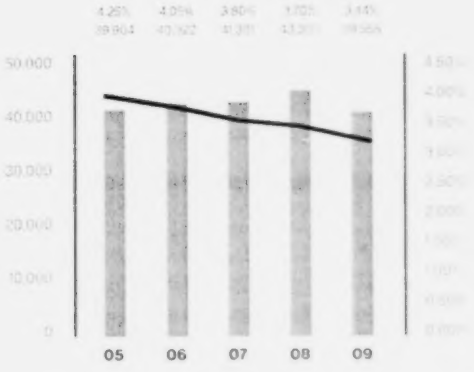
Prevention of Work Related Injuries
Time Loss Injury Rate –
2009: 3.44 per cent (2008: 3.70 per cent)
Total Claims Reported –
2009: 39,558 (2008: 43,303)

Since 2003, a key component of the WCB's vision has been injury prevention. In 2008, the vision statement was strengthened to say that the WCB will develop and deliver injury prevention programs and services that move Saskatchewan quickly to zero workplace injuries.

At the end of 2002, Saskatchewan's workplace Time Loss injury rate peaked at 4.95 per cent. Almost five out of every 100 workers covered by workers' compensation were injured at work. In 2009, for the seventh straight year, the work related Time Loss injury rate declined, to 3.44 per cent, lower than the 3.50 target. This is a 30.5 per cent decline since 2002 and a 7.0 per cent drop in 2009 alone. This is a tremendous accomplishment achieved through the combined efforts of Saskatchewan's workers, employers and other stakeholders of the compensation system.

The WCB's vision is to serve injured workers and employers by developing and delivering workers' compensation programs and services in Saskatchewan.

Saskatchewan, however, still has the second highest Time Loss injury rate in Canada. For 2008, the latest statistics available from the Association of Workers' Compensation Boards of Canada (AWCBC), the Canadian average Time Loss injury rate is 2.12 per cent. The WCB, working closely with its stakeholders, will continue its efforts to bring its rate down further in pursuit of zero.



CLAIMS REPORTED AND TIME LOSS INJURY RATE

Claims Reported
Time Loss Injury Rate

The 3.44 per cent injury rate for insured employers is determined by taking the number of Time Loss Claims (TLCs) accepted and paid in the year and dividing it by the number of workers covered by the WCB. Two changes are incorporated into the calculation of the injury rate in 2009. First, the WCB adjudicates and administers claims for the Government of Canada and charges an administrative fee for doing so. The WCB does not collect premiums to pay the claims nor does it provide prevention programming to the Government of Canada. Therefore, this self-insured employer was removed from the calculation of the Time Loss injury rate. The removal of the Government of Canada from the injury rate calculation did not change the Time Loss injury rate for 2009 or for the previous four years.

Second, in 2009, Statistics Canada changed the methodology for calculation of the average weekly wage that is used to arrive at the number of workers covered by workers' compensation. Under the new methodology, the average weekly wage increased for Saskatchewan. When this number is divided into the reported payroll, it results in fewer workers covered compared to the previous methodology.

For the year, the WCB accepted 12,141 TLCs, the lowest number of TLCs since 1999, and 7.3 per cent fewer claims than the 13,093 claims accepted by the WCB in 2008. In 2009, there were 353,384 workers covered using the new Statistics Canada methodology to calculate the average weekly wage. By comparison, in applying the new methodology retrospectively to 2008, the number of workers covered would have been 340,520 compared to the 354,295 workers reported under the previous methodology. Using the new methodology, the number of covered workers has increased from 2008 to 2009 by 12,864 workers.

While reducing the Time Loss injury rate is important, the WCB's vision speaks to eliminating *all* workplace injuries. Therefore, the WCB also pays close attention to the total number of claims reported. In 2009, 39,558 claims were reported to the WCB, a decrease of 3,745 from 2008.

WorkSafe
SASKATCHEWAN
Work to live.

Of the claims reported, 32,962 were accepted which is 3,265 less than the 36,227 claims accepted in 2008. This is the lowest number of claims in five years. While the injury rate has declined each year since 2002, the number of accepted claims had been increasing. It is encouraging that the number of claims reported and accepted in 2009 has declined from 2008, even as the percentage of claims denied has remained stable. The ultimate goal is the elimination of all workplace injuries, not just those which result in time away from work.

In measuring progress toward zero injuries, *WorkSafe Saskatchewan*, the partnership between the WCB and the Occupational Health and Safety Division of the Ministry of Advanced Education, Employment, and Labour (the Ministry), has set a target of a 3.30 per cent Time Loss injury rate by the end of 2010. Improved programs and services aimed at specific workplaces, industry sectors, occupations and injury groups will be key to meeting this objective. While the *WorkSafe Saskatchewan* partners are confident this objective can be achieved, it can only be done by garnering the attention and support of all workers, employers, safety associations, unions and employer associations.

In 2008, the *WorkSafe Saskatchewan* partners signed a new Memorandum of Understanding (MOU). The MOU signaled a renewed commitment and increased cooperation between the two partners, focusing their combined resources and placing increased emphasis on the province-wide prevention initiative. The *WorkSafe Saskatchewan* Strategic and Operational Plan provided guidance to WCB and the Ministry in 2009 on where to focus their efforts to make the greatest strides in improving the health and safety of Saskatchewan workplaces.

As part of the new focus on prevention, *Worksafe Saskatchewan* continued its *Mission: Zero* campaign in 2009 with its compelling message to Saskatchewan workplaces: zero injuries, zero fatalities, zero suffering.

A targeting initiative, which focused on fifty large employers with significant numbers of workplace injuries, was another key program pursued by the *WorkSafe Saskatchewan* partners. Through audits and inspections, these employers are encouraged to make improvements to their health and safety programs.

Health and safety certification continues to be an important *WorkSafe Saskatchewan* initiative. The Joint Industry Committee (JIC) was formed in 2006 to encourage employers to adopt health and safety programs and to establish appropriate certification standards. The JIC is made up of safety leaders representing a variety of industry rate codes and organized labour. Also included are advisory members from the WCB and the Occupational Health and Safety Division of the Ministry.

The JIC's quality assurance process ensures that all JIC certifying partners are providing audits that meet quality standards. This process complements the framework of standards that were put in place for health and safety programs and corresponding audits in 2007. Industries are now able to implement certification programs or use the framework to provide a clear outline of standards for loss control. Furthermore, employers within these industries can now be assured that certification program audits carried out by JIC certifying partners are of the highest quality.

The WCB believes that industries and employers within those industries that promote and adopt standardized health and safety programs will realize significant improvements through lower injury rates and, most importantly, will reduce the impact of workplace injuries on workers and their families.

Experience Rating Program
Discounts – 2009: $21.7 million (2008: $21.8 million)
Surcharges – 2009: $21.6 million (2008: $19.8 million)

The WCB's Experience Rating Program (ERP) provides financial incentives to encourage workplace safety, injury prevention measures and effective return to work programs. The ERP ensures that the relatively small number of employers responsible for the majority of costs in the system will pay higher premiums through surcharges. Employers who do not contribute to the costs of the system receive a discounted premium rate. Discounts and surcharges are calculated when the annual rates are set in the fall of each year and are applied to the employer's industry premium rate for the upcoming year.

There are two programs: the advanced program applies to employers who pay more than $15,000 in premiums to the WCB over a three-year period; employers who pay less than this amount are in the standard program.

Employers in the ERP's advanced program are subject to a 200 per cent maximum surcharge while employers in the standard program are subject to a 75 per cent maximum surcharge. The maximum discount available to employers in the standard program is 25 per cent and employers in the advanced program are eligible for a maximum 30 per cent discount. In 2009, 1,372 Saskatchewan employers paid $21.6 million in surcharges while 20,413 employers received discounts of $21.7 million. The remaining employers covered by WCB received neither a discount nor a surcharge.

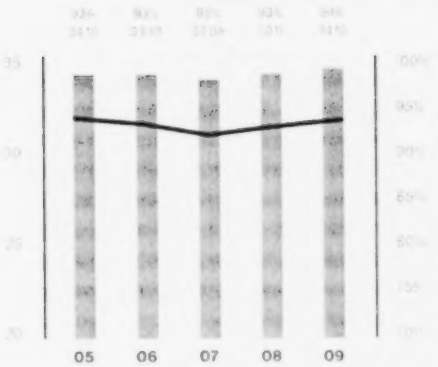
By reducing the number of work injuries and their associated costs, employers can move from a position of paying a surcharge to a position of receiving a discount. This is most effectively achieved by implementing effective workplace health and safety programs and by instituting programs that allow injured workers to return to work as soon as medically safe to do so.

Claims Management Process
Return to Work – 2009: 94 per cent (2008: 93 per cent)
Average Duration – 2009: 34.10 days (2008: 33.11 days)

Claims management outcomes in 2009 were comparable to those in 2008:

- 94 per cent of injured workers sustaining a Time Loss injury returned to work, up slightly from 93 per cent in 2008 and surpassing the WCB's aggressive 92 per cent objective.
- Average duration, the key measure of timeliness of return to work, increased 3 per cent to 34.10 days per Time Loss claim, falling short of our 32.35 day strategic objective. The primary driver of the increase in average duration is an increase in the proportion of 1-2 year old claims in the system. Indications are that this group of claims is staying in the system longer due to injury severity.

Practicing safe work procedures creates a safer working environment for everyone.



CLAIM DURATION AND RETURN TO WORK PERCENTAGE

Duration Days
Return to Work Percentage

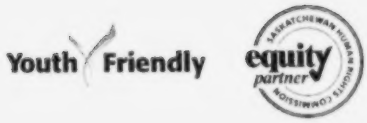
Both the 2009 return to work percentage and average claims duration are among the best results for all Canadian compensation systems. The results are especially noteworthy because both metrics are dependent on all stakeholders in the system performing their responsibilities in a timely manner.

Other performance measures showed improvement in 2009. Decision accuracy measures the quality of claims decisions made by the WCB. This metric increased from 95 per cent in 2008, to 98 per cent in 2009, surpassing the 95 per cent target for the year. The WCB also measures time to first payment, which is the number of days it takes to issue a first payment after the WCB is notified of an injury. The operational target is that 75 per cent of first payments are made within 14 days. The average for 2009 stood at 67 per cent. This is a 5 per cent increase from 2008. While still short of the operational target, Saskatchewan's average time to first payment is among the best results in Canada.

The WCB uses an independent agency of record to conduct customer service satisfaction surveys for both injured workers and employers. In 2009, employers rated their overall satisfaction with claim services at 4.25 out of 5. This is an increase of 0.15, driven by increased satisfaction with service quality and values demonstrated in service delivery. Workers rated their satisfaction at 4.13 out of 5, essentially unchanged from 2008.

While survey results of 4.0 or greater are defined as excellent, the WCB strives for a target of 4.75. Customer survey results are analysed to identify areas of service improvement that are most important to our customers. The analysis continues to feed operational planning for service improvements.

During the year, the WCB also benefited from the Claims Administration and Service Review conducted by Deloitte, which concluded that the responsiveness of WCB to workers and employers is balanced and in some instances ranks among the best in Canada. However, the review also identified areas for improvement and made 21 recommendations, all of which were accepted by the WCB and will be acted upon.



In 2009, the WCB made significant progress on its highest priority internal project – the replacement of the claims system. This multi-year project aims to go live with a new system in January 2011. Currently, the project is detailing program and configuration requirements. The size and complexity of the project requires the dedication of significant WCB resources in 2010.

Human Resources and Team Support

The WCB fully integrates human resources into its strategic and operational planning processes. This alignment is critical to ensure the organization has the right number of staff with the right competencies to collectively deliver on the organization's business strategies and objectives.

Human Resources has a strategic view with respect to the spectrum of initiatives within its portfolio. Sourcing, hiring, developing, engaging and retaining staff are all key priorities. Sourcing and hiring initiatives continued to be successful in 2009 largely due to:

- WCB being recognized as a Top Employer in Saskatchewan – for the third consecutive year.
- Positive relationships with post-secondary institutions and students.
- WCB's support of an inclusive working environment through bursary programs, targeted sourcing initiatives and providing meaningful jobs.
- WCB's youth friendly status and Equity Seal from the Saskatchewan Human Rights Commission.
- The organization's commitment to providing state-of-the-art training programs to new front-line customer-focused staff.

Developing its existing workforce also remained a strategic priority for the WCB. The organization provides relevant training and development opportunities and considers a well-prepared workforce as an investment for the future. Two organization-wide training initiatives offered in 2009 included Aboriginal Awareness Training and our Take the Lead program. In 2009, employees demonstrated 98 per cent competence, as measured through the performance management system. The target for this key performance indicator is 90 per cent.

Retaining staff is also critical to the organization's success. Employees possess a wide-range of knowledge with respect to the workers' compensation system and related processes. A number of these employees have many years of experience with the WCB. The organization tracks and maintains data with respect to internal demographics like turnover rates and retirement projections so it can plan for future workforce requirements. The WCB also conducts an annual cultural survey. The latest result equaled the highest score ever achieved by the organization.

From a quality perspective, opportunities to enhance the quality of decision-making, which includes the correct application of policies, is addressed through the review of initial adjudication decisions. The target of 95 per cent accuracy of entitlement decisions was surpassed in 2009. Without encroaching on decision-making independence, quality assurance staff provided constructive feedback to help achieve these quality outcomes.

The WCB believes its talent management strategies significantly contribute to the organization's effectiveness now and in the future.

2009 FINANCIAL HIGHLIGHTS

Saskatchewan's economy remained strong in 2009 but the global markets are still recovering from the lows reached in early 2009. While the WCB's investment holdings showed significant growth during the year, realized investment returns were still impacted by the market decline in 2008 and early 2009. With a slight increase in investment income, the WCB recorded a modest operating surplus of $3.6 million in 2009 that was allocated to the WCB's reserves and Injury Fund. As a result, the WCB remains in a fully-funded position with its Injury Fund at $111.0 million. Reserves sit at $59.7 million. With continuing declines in the Time Loss injury rate, the average premium rate for 2010 declined 1.8 per cent to $1.63 - down from $1.66 in 2009.

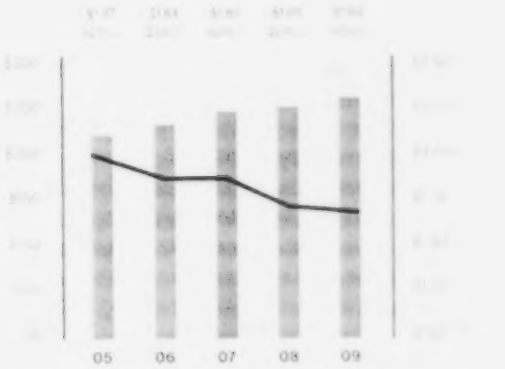
Revenues

Premium income and investment income are the WCB's two sole sources of revenue. In 2009, revenues totaled $282.2 million, a 5.6 per cent increase from $267.1 million the year previous.

Premiums

Total premium revenue is made up of base premiums plus discounts and surcharges disbursed and collected through the Experience Rating Program (ERP).

For 2009, employer assessable payrolls increased by 7.2 per cent to $14.91 billion due to strong economic growth, particularly in the Building Construction and Road Construction sectors and certain areas in the Manufacturing and Service sectors. Due to this strong payroll growth, base premium revenue increased by 3.6 per cent from $246.5 million in 2008 to $255.4 million in 2009, even after the average premium rate declined to $1.66 in 2009 from $1.69 in 2008. In addition, the net cost of the ERP dropped $1.9 million in 2009 to sit at $0.1 million.



PREMIUM REVENUE AND AVERAGE PREMIUM RATE*

* Premium revenue regrouped to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.

Investment Income

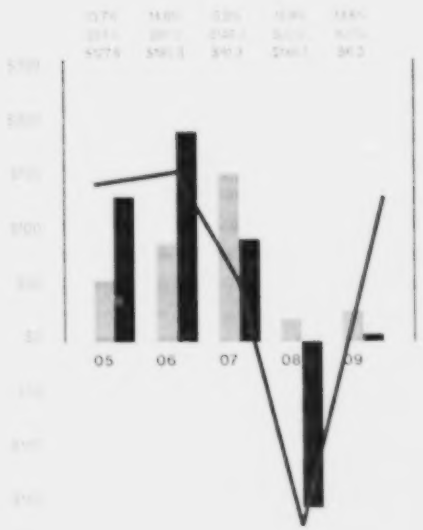
Investment income is an important revenue stream for the WCB. It supplements premiums to help cover total expenses for the year. The long-term assumption that the WCB's investments will generate an annual nominal rate of return of 6 per cent is built into our benefits liabilities as well as our premium rate setting model. In 2009,

the WCB had an investment return of 13.6 per cent at market compared to the negative investment return of (15.9) per cent in 2008.

Investment income increased 22.7 per cent in 2009, from $22.0 million in 2008 to $27.0 million in 2009. This represents $39.6 million of income from interest and dividends and $22.0 million from net gains realized from the sale of real estate for a total of $61.6 million. Subtracted from this amount is $27.2 million from net losses realized from the sale of equities and bonds, investment write-downs of $3.0 million and $4.4 million for other investment expenses including bond premium amortization.

The WCB records its equity and bond investments at market value and this is reflected in the $1,246.7 million shown as Investments on the Statement of Financial Position. Any unrealized gains and losses on these investments in the year are reported as Other Comprehensive Income (Loss) in the Statement of Changes in Funded Position. In 2009, the WCB recorded an Other Comprehensive Income (OCI) of $152.8 million. This $152.8 million OCI is made up of net unrealized gains of $122.6 million plus net realized losses of $27.2 million and investment write-downs of $3.0 million which are recorded in investment income.

The OCI of $152.8 million for 2009 is then reflected in the Accumulated Other Comprehensive Income (AOCI) on the Statement of Financial Position. At December 31, 2008 the AOCI sat in a loss position of $146.5 million. The OCI of $152.8 million increases the AOCI, leaving the AOCI at $6.3 million at December 31, 2009. This $6.3 million represents the accumulated net unrealized gains included in the $1,246.7 million of investments reported on the Statement of Financial Position.



INVESTMENT RETURN

- Investment Income (millions)
- Accumulated Other Comprehensive Income (millions)
- Percent Return on Market

Investment Strategy

The WCB's Statement of Investment Policies and Goals (SIP&G) outlines its investment and risk philosophy. The SIP&G reflects the long-term nature of the WCB's liabilities and the impact of future inflation on its existing liabilities.

To achieve its long-term investment goals, the WCB diversifies among asset classes – fixed income securities, equities, mortgages, and real estate – to maximize returns at acceptable risk. The WCB further diversifies within asset classes by selecting investment managers with varying investment mandates and styles.

The WCB's Investment Committee, reporting to the WCB's Board, recommends for approval the SIP&G and the appointment of the investment managers with the assistance of an independent investment consultant. It also monitors the performance of the investment managers against established benchmarks. The Investment Committee sets prudent policy goals and objectives to ensure stability of the funding. The Committee meets regularly to monitor the performance of the investment managers and to review the ongoing relevance of the policies.

While global investment markets hit bottom in the first quarter of 2009 and then showed significant returns by the end of 2009, the Investment Committee believes that a long-term perspective must be maintained.

The Saskatchewan WCB has shown good investment returns when compared to other WCBs across Canada. From statistics available from the Association of Workers' Compensation Boards of Canada (AWCBC), Saskatchewan's market rate of return has consistently been among the best. The Committee and its investment managers reasonably expect continued improvement in investment performance in 2010.

Expenses

The WCB has five main categories of expenses: claims costs, administration, safety and prevention, annuity fund interest and legislated obligations.

Claims Costs

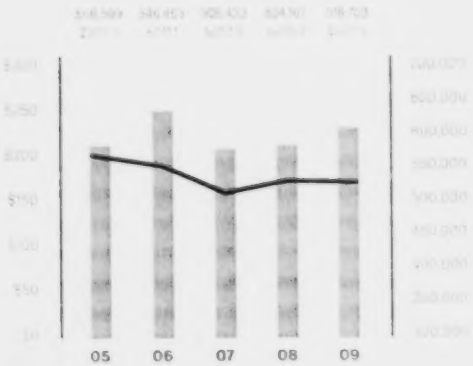
As reported in the Statement of Operations, in 2009, claims costs totaled $222.8 million, an 8.2 per cent increase from $205.8 million of claims costs paid in 2008. Claims costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. Benefits liabilities represent the amount required to pay the future costs of all claims.

The compensation component of claims costs consists of short-term wage loss and long-term earnings replacement payments to injured workers and their dependents, the health care services provided to injured workers, and any vocational rehabilitation required to return injured workers to meaningful employment. In 2009, compensation costs paid were $186.1 million, a $4.8 million increase over 2008. Administration costs for adjudicating and managing claims are also allocated to claims costs, bringing the total 2009 compensation expenses to $196.7 million, a 2.7 per cent or $5.2 million increase over 2008 compensation expenses of $191.5 million.

Each year, the WCB develops a Strategic and Operational Plan to achieve core business objectives and to support corporate strategies.

Total claims costs rose by $17.0 million. This increase is due to a $5.2 million increase in the compensation component of claims expenses as noted above and an $11.8 million increase in the actuarial adjustment to the benefits liabilities.

The difference between the $196.7 million of compensation payments made to administer claims and the $222.8 million of claims costs reported in the Statement of Operations is a $26.1 million actuarial increase in the benefit liabilities compared to a $14.3 million increase in 2008. The benefits liabilities are established to ensure that the WCB can meet its legislated obligation to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail further on in this analysis.



CLAIMS COSTS

Claims Costs (millions)
Days Paid Compensation

Durations and the number of Time Loss Claims (TLCs) are two key drivers of compensation costs. While the duration of TLCs paid increased in 2009, the impact was reduced by the decrease in new TLCs. As well, a reduction in the number of TLCs from previous years influences overall claims costs. Total TLCs paid in 2009 were 15,213, a 3.9 per cent decrease from the 15,830 claims paid a year earlier.

The decline in total TLCs paid in 2009 more than offset the longer durations of the claims in the system and resulted in a 1.0 per cent decrease in the total number of compensation days paid during the year; 518,703 total compensation days were paid in 2009 compared to 524,167 days in 2008. The decrease in days paid, combined with a 2.8 per cent increase in the wage loss paid per day resulted in short-term wage loss payments of $65.1 million 2009. This represents a 2.5 per cent increase over 2008.

Health care payments in 2009 increased to $60.2 million, a 5.4 per cent increase over 2008. The WCB continues to invest more in treatment at the primary care level to help injured workers return to work as soon as safe to do so. The 2009 increase is primarily due to increased product and service fees paid to health care providers and suppliers in this sector.

Vocational rehabilitation remains an important component of compensation as it provides the retraining and education required when injured workers cannot return to their pre-injury job. Vocational rehabilitation costs increased in 2009 to $4.5 million, up $0.7 million year over year. Increasing vocational rehabilitation referrals over the

past two years is the main reason for the increase in vocational rehabilitation costs. The WCB remains diligent in its efforts to ensure that workers who require services are given the appropriate training, education, and modifications to their homes and workplaces.

Payments for long-term disability or earnings replacement and survivor benefits decreased in 2009 to $56.2 million, compared to $56.9 million in 2008. This decrease was primarily for amounts paid to injured workers receiving current Act long-term earnings replacement. In 2009, while the number of injured workers receiving benefits declined by 103, the net increase of 82 workers collecting Independence Allowance and the increase in the average benefit paid resulted in an overall decrease of 1.2 per cent compared to 2008.

Benefits Liabilities

Benefits liabilities increased 2.7 per cent from $969.5 million to $995.7 million. This increase was driven by a significant increase in projected future health care benefits and vocational rehabilitation benefits, and also by an increase in surviving spouse awards.

Except for projecting mortality tables for an additional year, the long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2008. The real rate of return used is 3.5 per cent, medical costs are assumed to increase at 3.5 per cent above inflation, and wage growth is expected to increase at 1.0 per cent above inflation. The WCB considers these assumptions to be a realistic best estimate of future expectations.

BENEFITS LIABILITIES

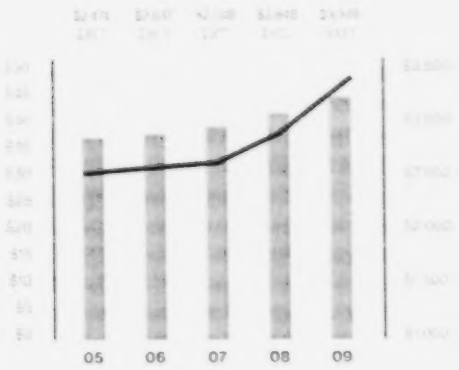
48%	Long-Term Disability	$ 483,591,000
22%	Health Care	$ 220,723,000
14%	Short-Term Disability	$ 136,614,000
8%	Survivor Benefits	$ 79,538,000
5%	Future Benefits Administration	$ 47,884,000
3%	Vocational Rehabilitation	$ 27,308,000
100%	Total	$ 995,658,000

Most wage-based benefits paid by the WCB are expected to increase at the rate of inflation and will be discounted at the nominal rate. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.5 per cent real rate of return. Pension awards for long-term disability and survivor benefits, however, are subject to a ceiling based on the maximum wage rate prescribed under Section 38.1 of *The Workers' Compensation Act, 1979* (the Act). For the purpose of determining the present value of these future obligations that are capped by statutory limits, these obligations have been discounted using the nominal rate of return of 6.0 per cent per year.

The benefits liabilities also contain an amount set aside to administer benefits in future years. The WCB has determined that the allowance for the expenses included in the liability valuation should be 4.2 per cent of the liability for long-term disability and survivor awards and 6.3 per cent of the liability for all other claims. Future benefits administration accounts for $47.9 million of the $995.7 million total benefits liabilities.

Administration Expenses

Administration costs rose to $43.1 million in 2009 from $40.2 million in 2008 - before costs charged to Future Benefits Administration. This 7.2 per cent increase reflects a negotiated salary increase for staff, with accompanying benefit increases, an amount for Defined Benefit Plan costs and an increase in amortization.



ADMINISTRATION EXPENSES AND ADMINISTRATION COST PER TIME LOSS CLAIM*

Administration Expenses (millions)

Administration $ per Time Loss Claim

* Administration expenses regrouped to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.

An important measure of administrative efficiency is the administration cost per Time Loss claim. This was calculated to be $3,348 in 2009 compared to $2,848 in 2008. The increase reflects the drop in the pure number of Time Loss claims and the slight increase in administration costs overall. Based on published statistics from the AWCBC for 2008, Saskatchewan remains the jurisdiction with the lowest administration cost per Time Loss claim in Canada.

A second measure of administrative efficiency tracked by WCBs across the country is the administration costs per $100 of assessable payroll. Based on 2008 statistics, the most recent available, Saskatchewan's ratio is $0.27, the second best in Canada.

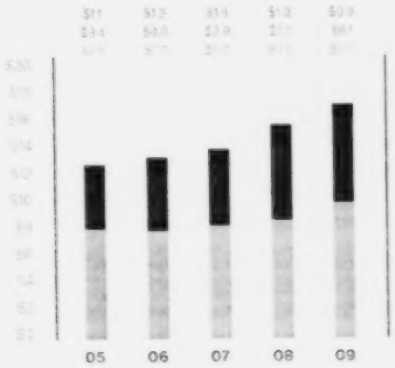
Safety and Prevention

Safety and Prevention is made up of funding to the Occupational Health and Safety Division of the Ministry of Advanced Education, Employment, and Labour (the Ministry); grants to Safety Associations and funding for *WorkSafe Saskatchewan*.

While under the Act the WCB funds the operations of Occupational Health and Safety (OH&S), the OH&S budget is approved by the Government of Saskatchewan through the provincial budgeting process. The role of OH&S is to provide assistance to workplace parties in meeting their responsibility to identify and correct health and safety hazards. As well, OH&S assists occupational health committees and worker representatives, inspects workplaces, and enforces health and safety rules. In 2009, funding increased by 15.5 per cent to $9.7 million ($8.4 million in 2008).

The WCB continues to invest more in treatment at the primary care level to help injured workers return to work as soon as safe to do so.

Safety grants are provided to nine safety associations based on additional premiums levied on employers in the 17 industry rate codes that are represented by safety associations. The total grants increased $1 million to $6.1 million in 2009. In 2009, ENFORM, the safety association representing workers and employers in four oil and gas industry rate codes was funded for the first time.



SAFETY AND PREVENTION (MILLIONS)

OH&S
Safety Grants
WorkSafe Saskatchewan

Expenditures on *WorkSafe Saskatchewan* declined in 2009 to $0.9 million from $1.3 million in 2008 primarily due to less *WorkSafe Saskatchewan* promotion. However, the WCB and its *WorkSafe Saskatchewan* partner, the Ministry of Advanced Education, Employment and Labour, remain confident that expenditures to promote injury prevention and awareness will pay significant future dividends through fewer injuries to workers and lower costs for employers. Through its strategic and operational planning process *WorkSafe Saskatchewan* will further focus its efforts to ensure funds are spent in areas most in need of improvement. Details on *WorkSafe Saskatchewan*, its Strategic and Operational Plan, as well as reporting of results against that plan, can be found at **www.worksafesask.ca**.

Annuity Fund Interest

To compensate the worker for the loss of retirement income due to a workplace injury, pursuant to the Act, the WCB sets aside an additional 10 per cent of all eligible benefits payments into an injured worker's annuity fund. This occurs once the worker has received benefits for more than 24 consecutive months. The WCB will then continue to set aside funds for the worker's annuity fund until the worker returns to work or reaches age 65. At age 65, the worker then uses the funds set aside, plus interest, to purchase an annuity. During 2009 contributions to the fund amounted to $5.9 million compared to $5.7 million in 2008.

The funds annually accrue interest based on an internally calculated rate of return: $6.0 million at 3.7 per cent in 2009 compared to $5.0 million at 2.8 per cent in 2008.

Total payouts in 2009 were $7.1 million; down 7.8 per cent from the $7.7 million paid out in 2008. The resulting $163.7 million annuity fund payable at December 31, 2009 increased 3.0 per cent over the balance at December 31, 2008. While there were 5,755 active claims with annuities at the end of 2009 compared to 5,684 at the end of 2008, the average annuity remained approximately $28,000 per claim.

Legislated Obligations

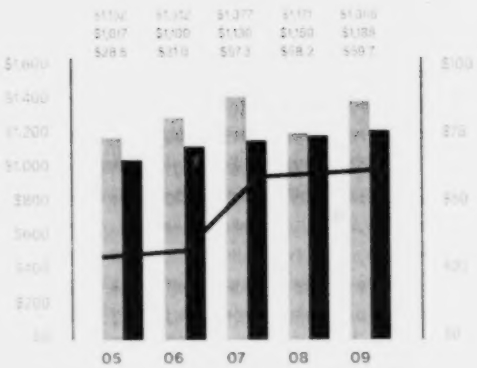
Under the Act, the WCB is obliged to fund the operations of the Office of the Worker's Advocate of the Ministry. In 2009, $0.8 million ($0.7 million in 2008) was provided to the Office of the Worker's Advocate.

Funding Strategy

The WCB's funding policy is designed to set the parameters for the Injury Fund and each of the reserves held by the WCB.

Of the $3.6 million operating surplus in 2009, a total of $1.6 million was allocated to the reserves to comply with the funding policy, while the remaining $2.0 million was allocated to the Injury Fund. As a result, the $109.0 million in the Injury Fund at the end of 2008 was increased to $111.0 million at the end of 2009.

The Injury Fund is maintained to ensure sufficient funds are available to meet required benefit levels and reduce fluctuations in the average premium rate. The targeted funding range for the Injury Fund is 5 per cent to 20 per cent of benefit liabilities. If the funded status moves outside the targeted range, the WCB will replenish or regulate the fund through the use of reasonable charges and rebates over a period not to exceed five years until the fund is restored to the target range. The funding percentage at December 31, 2009 based on the funding policy remained unchanged at 111.2 per cent.



FUNDED POSITION AND RESERVES (MILLIONS)

Assets
Liabilities
Reserves

The Second Injury and Re-employment Reserve (Second Injury) was established to provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. Currently, the $9.9 million in this reserve is 1.0 per cent of the benefits liabilities as recommended by the policy.

The Disaster Reserve and Occupational Disease Reserve were initially created to meet the requirements of the Act with respect to disasters and to meet the costs of emerging occupational diseases. The Disaster Reserve has two components: one for less severe disasters which meet the threshold outlined in the Act and one for rare but very severe disasters. The funding policy specifies 1.0 per cent of benefits liabilities for each component. The total of the disaster reserve was $19.9 million at the end of 2009.

With respect to the Occupational Disease Reserve, the funding policy specifies a rate of 3 per cent of benefits liabilities which resulted in a balance of $29.9 million at the end of 2009.

Internal Control over Financial Reporting

The objective of financial reporting is to prepare reliable financial statements, which involves attaining reasonable assurance that the financial statements are free from material misstatements. The Internal Controls over Financial Reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable corporate financial statements.

Beginning in 2009, WCB will be certifying in its annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

WCB established an ICOFR Committee to assess its internal controls over financial reporting and to provide assurance that internal controls are adequate to prevent material misstatement of the financial statements. The Committee developed a program of projects to evaluate and report on internal controls at the entity level and evaluate and report on internal controls related to certain processes, transactions, and applications that result in material financial transactions based on a risk-based assessment of key business processes. The assessments undertaken by the Committee in 2009 did not identify any material weakness in internal controls over financial reporting. The 2009 report by the Chief Executive Officer and the Vice-President Prevention, Finance and Information Technology can be found on page 44 of this annual report.

Future Financial Reporting Changes

The Canadian Accounting Standards Board has confirmed that the changeover date for the adoption of International Financial Reporting Standards (IFRS) will be January 1, 2011. Accounting policies and systems must be in place by the end of 2010 in order to prepare IFRS financial statements for the year ending December 31, 2011 with comparatives for December 31, 2010.

The WCB has established an IFRS Committee and provided for training of key employees. The Committee is charged with analyzing transition issues, documenting IFRS differences, preparing IFRS disclosures, monitoring current IFRS activities, and making recommendations to the Audit Committee of the Board. The Committee has completed an initial assessment of the IFRS standards with the highest potential impact on WCB. Based on the analysis to date, potential significant areas of difference are related to accounting for property, plant and equipment, employee future benefits, financial instruments and financial statement disclosure.

The International Accounting Standards Board (IASB) issued IFRS 9 *Financial Instruments* in 2009. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. This change would mean that unrealized gains and losses on investments held at market value would be recorded in the Statement of Operations rather than in Accumulated Other Comprehensive Income. The effective date for mandatory adoption of IFRS 9 is January 1, 2013 but early adoption is permitted.

The IASB's discussion paper on Insurance Contracts outlines the preliminary proposal to change the accounting basis for insurance contracts to fair value. This is an important standard that may have a significant impact on WCB's financial statements. The IASB aims to publish an exposure draft in 2010 and a final standard in 2011. With a target effective date likely to be 2013, no impact is expected on the financial statements until the final standard becomes effective.

LOOKING AHEAD

Economic Outlook

The Conference Board of Canada predicts Saskatchewan's economy will grow 2.5 per cent in 2010 due to a recovery in potash sales and a strong domestic economy.

This positive outlook for Saskatchewan is reflected in the increase in the WCB's 2010 employer assessable payroll forecast from $14.91 billion in 2009 to $15.99 billion in 2010.

Business Outlook

The WCB will continue to identify threats and opportunities to its corporate business plan during its strategic planning process, and to create action plans to ensure it can meet future challenges with confidence in its operational and financial plan. Specific strategic initiatives include:

- Focused human resource planning and programs will continue to enable WCB to recruit and retain a capable workforce.
- Continued emphasis on the elimination of work related injuries by the *WorkSafe Saskatchewan* partnership and increased collaboration with stakeholders to bring greater attention to the high personal and economic cost of injuries.
- The development and implementation of a new claims computer system.
- Continued prudent investment strategies to capitalize on expected positive corporate earnings growth in 2010 and thereby improve the WCB's investment performance.
- Cooperation with health care providers so that injured workers receive the most appropriate and timely health care services.

The WCB's 2009 results are driven by an integrated strategic and operational plan.

Visit our corporate website at **www.wcbsask.com** for information on our **2009-2011 Strategic and Operational Plan**, and these topics:

- Our legislation, policies and funding
- How we are governed, our organizational structure and how we practice accountability
- Statistics on claims
- The WCB's Balanced Scorecard, our system of measuring and reporting on corporate performance
- 2009 accomplishments of the Operations, Human Resources and Team Support, and Prevention, Finance and Information Technology divisions
- The 2009 Appeals Report
- The 2009 Fair Practices Office report
- The 2009 *WorkSafe Saskatchewan* report
- A summary of Board policies that were introduced or amended in 2009
- Key Statistical Measures: how Saskatchewan's WCB compares to other Canadian boards and commissions on key financial and program measures
- Our publications and forms

2009 FINANCIAL REPORT

Saskatchewan Workers' Compensation Board (WCB)
Responsibility for Financial Statements

The financial statements are the responsibility of management and have been prepared in conformity with Canadian generally accepted accounting principles. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised rerasonable diligence, the financial statements fairly present, in all material respects, the financial condition, results of operations, and cash flows, as of December 31, 2009.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2009 operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board of Directors. The Board of Directors meets periodically with financial officers of the WCB and the external auditors.

KPMG LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the WCB's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditors' Report outlines the scope of their examination and their opinion.

March 3, 2010

PETER FEDERKO, CA
Chief Executive Officer

GAIL KRUGER, CMA
Vice-President, Prevention, Finance and Information Technology

ACTUARIAL CERTIFICATION

To the Board of Directors of the Saskatchewan Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2009 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 1979*, in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

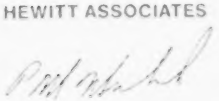
The actuarial valuation of the benefits liability of $995,658,000 represents the actuarial present value at December 31, 2009 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2009.

The valuation was based on the provisions of *The Workers' Compensation Act, 1979*, in effect as of December 31, 2009 and reflected the legislated maximum wage rate. The benefits liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It also includes provision for future expenses relating to the administration of existing claims. Payments made by the WCB on a self-insured basis are excluded from the valuation of the benefits liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the WCB's future obligations based on the provisions of *The Workers' Compensation Act, 1979*, at the valuation date, the WCB's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice.

HEWITT ASSOCIATES



PETER M. MUIRHEAD
Fellow, Canadian Institute of Actuaries
March 3, 2010

AUDITOR'S REPORT

To the Members of the Saskatchewan Workers' Compensation Board

We have audited the statement of financial position of Saskatchewan Workers' Compensation Board as at December 31, 2009 and the statements of operations, changes in injury fund, changes in accumulated other comprehensive income (loss), changes in funded position and cash flows for the year then ended. These financial statements are the responsibility of the WCB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Saskatchewan Workers' Compensation Board as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

KPMG LLP

Regina, Canada
March 3, 2010

STATEMENT OF FINANCIAL POSITION

(thousands of dollars)

	2009	2008
ASSETS		
Cash and cash equivalents (note 3)	$ 61,195	$ 56,343
Receivables (note 4)	28,789	25,720
Investments (note 5)	1,246,739	1,069,791
Property, plant and equipment (note 6)	14,480	15,196
Other assets (note 7)	13,616	12,673
	$ 1,364,819	$ 1,179,723
LIABILITIES		
Payables and accrued liabilities (note 8)	$ 28,409	$ 21,610
Benefits liabilities (note 9)	995,658	969,345
Annuity fund payable (note 10)	163,686	158,921
	1,187,753	1,149,876
FUNDED POSITION (see accompanying statements)		
Injury Fund	111,016	109,023
Reserves (note 12)	59,740	28,173
Accumulated Other Comprehensive Income (Loss)	6,310	(146,549)
	177,066	29,647
	$ 1,364,819	$ 1,179,723

See accompanying notes to financial statements.

On behalf of the Board:

DAVID R. EBERLE
Chairperson

WALTER EBERLE
Board Member

KAREN SMITH
Board Member

STATEMENT OF OPERATIONS

(thousands of dollars)

	2009	2008
REVENUES		
Premiums (note 11)	$ 255,164	$ 245,192
Investment income (note 5)	27,018	21,961
	282,182	267,153
EXPENSES		
Claim costs (note 9)	222,754	205,798
Administration (Schedule 1)	32,542	29,955
Safety and prevention (note 13)	16,604	14,807
Annuity fund interest (note 10)	5,958	4,997
Legislative obligations (note 14)	764	709
	278,622	256,266
OPERATING SURPLUS	$ 3,560	$ 10,887

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FUNDED POSITION

(thousands of dollars)

	2009	2008
OPERATING SURPLUS	$ 3,560	$ 10,887
OTHER COMPREHENSIVE INCOME (LOSS)		
Net unrealized gains (losses) on equities, bonds, debentures and pooled funds	122,665	(269,533)
Net realized losses on equities, bonds, debentures and pooled funds recognized in operating surplus	27,220	11,145
Investment write-downs recognized in operating surplus (note 5)	2,974	20,563
	152,859	(237,825)
Comprehensive Income (Loss)	156,419	(226,938)
Funded Position, Beginning of year	20,647	247,585
Funded Position, End of year	$ 177,066	$ 20,647

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN INJURY FUND

(thousands of dollars)

	2009	2008
BALANCE, beginning of year	$ 109,023	$ 98,993
Operating surplus	3,560	10,887
Appropriation of funds to reserves (note 12)	(1,567)	(857)
Appropriation to fund cost relief for employers	(23,346)	(22,589)
Allocations for cost relief for employers	23,346	22,589
BALANCE, end of year	$ 111,016	$ 109,023

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

(thousands of dollars)

	2009	2008
BALANCE, beginning of year	$ (146,549)	$ 91,276
Other Comprehensive Income (Loss)	152,859	(237,825)
BALANCE, end of year	$ 6,310	$ (146,549)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

(thousands of dollars)

	2009	2008
OPERATING ACTIVITIES		
Cash received from:		
Premiums	$ 256,198	$ 243,596
Dividends and interest	36,932	53,444
	293,130	297,040
Cash paid to:		
Claimants, or third parties on their behalf	187,616	180,519
Employees and suppliers, for administrative and other goods and services	39,083	37,507
Safety and prevention programs	15,343	14,449
Ministry of Advanced Education, Employment and Labour	709	854
	242,751	233,329
Net cash provided by operating activities	50,379	63,711
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	814,820	1,191,271
Cash paid for:		
Purchase of investments	854,502	1,245,520
Purchase of property, plant and equipment and other assets	5,845	4,407
	860,347	1,249,927
Net cash used in investing activities	(45,527)	(58,656)
Increase in cash during the year	4,852	5,055
Cash and cash equivalents, beginning of year (note 3)	56,343	51,288
Cash and cash equivalents, end of year (note 3)	$ 61,195	$ 56,343

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 1979* (the Act).

In accordance with the provisions of the Act, WCB's purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

Change in Accounting Polices

Effective January 1, 2009, WCB adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3064, Goodwill and Intangible Assets. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new section resulted in a reclassification of Software Development costs, net of accumulated amortization, of $5,166,000 (2008 - $1,909,000) from Property, Plant and Equipment to intangible assets, included in Other Assets (note 7).

During 2009, CICA Handbook Section 3862, Financial Instruments - Disclosures was amended to expand disclosures about inputs to fair value measurement, including their classification within a hierarchy that prioritizes the quality and reliability of inputs used to arrive at the fair value of financial instruments. The additional disclosures are included in note 5.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 9) and the investment valuation (note 5).

A number of sensitivity disclosures are provided throughout the notes to the financial statements to illustrate the approximate effects on measurements of assets and liabilities that could result from changes in claims experience and economic factors such as interest rates, foreign exchange rates and equity market prices. These disclosures are intended to provide information on sensitivity to changes in the business and economic environment and are not intended as forward-looking statements or predictions of future events.

Financial Assets and Liabilities

Financial assets and liabilities are measured based on whether they are classified as held for trading, available for sale, held to maturity, loans and receivables, or other financial liabilities.

WCB has designated cash equivalents and short-term holdings, bonds and debentures, equities and pooled fund investments as available for sale and therefore these financial assets are carried at fair value. Receivables and accrued interest are designated as loans and receivables and are recorded at amortized cost using the effective interest method. Payables and accrued liabilities are designated as other financial liabilities and are recorded at amortized cost using the effective interest method.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash and money market instruments that will be liquidated in the near term to fund operations.

Investments

All investments are carried at fair value except real estate owned directly which is recorded at cost. The fair value of cash equivalents and short term investments is based on cost which approximates fair value due to the short period to maturity. The fair value of bonds and debentures and equities is determined from quoted market values based on the latest bid prices. The fair value of pooled funds is based on the quoted market values of the underlying investments. The fair value of real estate investments is based on independent appraisals.

Transactions in bonds and equities are recorded as of the trade date. Transaction costs are added to the cost of the investment and taken into account in the determination of the effective interest rate recorded during the period. Investment expenses such as external custodial and management fees, are netted against investment income.

Realized gains and losses on disposition of investments are recorded in investment income when realized. Because bonds and debentures, equities, and pooled funds are designated as available-for-sale investments, unrealized gains and losses are included in Accumulated Other Comprehensive Income until they are realized. Impairments of investments that are determined to be other than temporary are charged to operations. WCB recognizes interest as earned, dividends when declared, pooled fund revenue when a distribution is declared, and investment gains and losses when realized. Interest is recognized over the term of the bond or debenture using the effective interest method and includes amortization of any premium or discount recognized at the date of purchase.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	3-4 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through WCB's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2009 has been determined by estimating future benefits payments in accordance with WCB's administrative policies and practices in effect at December 31, 2009.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Intangible Assets

Other assets include software development costs. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs range from three years to 15 years.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83 of the Act. Where compensation is paid for a period exceeding 24 consecutive months, an additional amount equal to 10% of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Transactions denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the transaction. Foreign currency gains and losses derived from investments are recorded in the same manner as other investment gains and losses.

Employee Future Benefit Plans

WCB provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees.

For the defined benefit plan, the cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation is determined with reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. The net transitional asset, calculated on the adoption of the change in accounting standards for employee future benefit plans, is being amortized over the average remaining service life at the transition date. Pensions will be increased annually by the lesser of 2.50% or 50% of the Consumer Price Index in the immediately preceding year.

For the defined contribution plan, employee contributions are matched by the WCB and expensed in the period made.

Accumulated Other Comprehensive Income

Accumulated Other Comprehensive Income records the accumulated unrealized gains and losses on available-for-sale investments held at the year-end date. The balance of this fund will not be considered in the determination of the funded status of WCB. In addition, this fund's balance will not be considered for determining premium rates or rebates and will not be considered as available for benefit enhancements.

Future Accounting Policy Changes

The Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) in place of GAAP for fiscal years beginning on or after January 1, 2011. The Public Sector Accounting Board (PSAB) in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook which requires Government Business Enterprises (GBEs) to adopt IFRS. WCB, as a GBE, is continuing with its plans to adopt IFRS on January 1, 2011 and has established an IFRS committee to develop an IFRS implementation plan, analyse transition issues, assess IFRS accounting policy choices, and develop a stakeholder communication strategy. The IFRS committee has presented the implementation plan and a summary of transition issues for review by the Board of Directors. Members of the IFRS committee as well as other employees of WCB have participated in detailed IFRS training.

The IFRS committee has completed an initial assessment of the IFRS standards with the highest potential for impacts on WCB. Based on the analysis to date, potential significant areas of difference are related to accounting for property, plant and equipment, employee future benefits, financial instruments, and financial statement disclosures. WCB is in the process of determining the impact of IFRS on processes, systems, internal controls over financial reporting and disclosures, and future financial position and results of operations. IFRS financial statement presentation formats are being reviewed. As part of the IFRS implementation, WCB is making changes to certain processes and systems to ensure transactions are recorded in accordance with IFRS for comparative reporting purposes on the implementation date.

3. CASH AND CASH EQUIVALENTS:

(thousands of dollars)

	2009	2008
Notes and commercial paper	$ 60,481	$ 57,416
Cash in bank, net of outstanding cheques	714	(1,073)
	$ 61,195	$ 56,343

The effective interest rates on the notes and commercial paper are .1% to .4% (2008 - 0.8% to 1.6%).

4. **RECEIVABLES:**

(thousands of dollars)

	2009	2008
Premiums	$ 17,603	$ 18,606
Investment proceeds receivable	5,110	1,127
Accrued interest	3,565	4,270
Interprovincial claims	1,936	1,575
Other	4,488	3,905
	32,702	$ 29,483
Allowance for doubtful accounts	(3,913)	(3,763)
	$ 28,789	$ 25,720

Premiums receivable includes an estimate of $8,500,000 (2008 - $9,180,000) for premium revenue to be assessed when employers submit their final insurable earnings information for 2009. The estimate is based on the total estimated premium revenue for the year less premiums received for the year. The total estimated premium revenue uses management's best estimate and judgment in calculating the employers final payroll amounts for the year.

Investment proceeds receivable represent transactions traded in December, 2009 but not settled until January, 2010.

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

(thousands of dollars)

	2009	2008
BALANCE, beginning of year	$ 3,763	$ 3,189
Amounts written off	(1,610)	(841)
Current provision	1,760	1,415
BALANCE, end of year	$ 3,913	$ 3,763

The aging of receivables is as follows:

(thousands of dollars)

	2009	2008
Less than 60 days	$ 21,736	$ 18,345
60 to 180 days	3,724	3,234
181 to 365 days	1,862	2,073
Greater than 1 year	5,380	5,831
	$ 32,702	$ 29,483

5. INVESTMENTS:

a) The carrying value of investments is as follows:

(thousands of dollars)

	2009	2008
Bonds and debentures	$ 381,849	$ 356,800
Equities	406,357	352,667
Pooled equity funds	277,221	236,502
Real estate	21,485	98,195
Pooled real estate fund	101,686	-
Pooled mortgage fund	28,560	-
Short-term holdings	29,581	18,627
	$ 1,246,739	$ 1,062,791

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures

(thousands of dollars)

	Term to Maturity (years)	2009 Carrying Value	2009 Average Effective Yield	2008 Carrying Value	2008 Average Effective Yield
GOVERNMENT OF CANADA SECURITIES					
	Less Than 1	$ –	–	$ 14,771	3.70%
	1 - 5	4,357	1.00%	391	3.30%
	6 - 10	4,216	3.70%	402	3.80%
	Over 10	20,876	4.20%	4,792	3.90%
PROVINCIAL AND MUNICIPAL SECURITIES					
	1 - 5	13,686	4.85%	26,443	5.20%
	6 - 10	34,306	4.44%	26,688	4.59%
	Over 10	56,961	5.10%	65,018	5.06%
CORPORATE SECURITIES					
	Less Than 1	5,543	5.16%	11,795	4.28%
	1 - 5	104,981	4.39%	107,835	4.60%
	6 - 10	79,403	3.78%	54,724	5.34%
	Over 10	57,520	5.72%	43,941	6.42%
TOTAL		$ 381,849		$ 356,800	

(ii) Equities and pooled equity funds:
WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

WCB's equity investments includes foreign equities of $81,276,000 (2008 - $90,253,000).

WCB has an investment in a pooled equity fund for Europe, Asia and the Far East (EAFE) with a carrying value of $69,352,000 (2008 - $65,163,000). WCB also has an investment in a pooled global equity fund with a carrying value of $140,139,000 (2008 - $121,504,000) and investment of $67,730,000 (2008 - $49,835,000) in a Canadian Equity Small Cap fund.

(iii) Real estate and pooled real estate fund:
All of WCB's real estate holdings are in Canadian commercial property. These holdings consist of real estate owned directly with an estimated fair value of $30,515,000 (2008 - $139,087,000) and an investment in a pooled real estate fund with a carrying value of $101,686,000 (2008 - nil).

(iv) Pooled mortgage fund:
WCB has an investment in a pooled mortgage fund with a carrying value of $28,560,000 (2008 - nil)

(v) Short-term holdings:
Short-term holdings is comprised of treasury bills, notes and commercial paper with effective interest rates of .1% to .4% (2008 - 0.9% to 1.7%) and average term to maturity of 4.125 months (2008 - 3.75 months).

(vi) Securities Lendings:

WCB's Statement of Investment Policies and Goals allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for pledged collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105% of the market value of the securities lent.

At December 31, 2009 WCB had $114,267,000 (2008 - $85,740,000) in equities, bonds and debentures and short term investments on loan to various counterparties. At December 31, 2009 the total amount of collateral pledged to WCB amounted to $119,981,000 (2008 - $91,142,000).

b) Investment Income

Net investment income was derived from the following sources:

(thousands of dollars)

	2009	2008
Cash and cash equivalents	$ 262	$ 1,686
Bonds and debentures	21,262	24,774
Equities	(23,517)	(142)
Pooled equity funds	7,224	8,316
Real estate and pooled real estate fund	26,020	8,817
Pooled mortgage fund	1,404	–
Short-term holdings	192	1,814
Investment expenses	(2,855)	(2,741)
Investment write downs	(2,974)	(20,563)
	$ 27,018	$ 21,961

At December 31, WCB conducts a review to identify and evaluate investments that show indications of impairment. An investment is considered impaired if its fair value falls below its cost, and a write down is recorded in investment income when the decline is considered other than temporary. Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been below cost, financial condition and near-term prospects of the issuer, and the ability to hold the investment for a period of time sufficient to allow for any anticipated recovery.

(c) Unrealized Loss Positions

The following table presents available-for-sale investments with unrealized losses at December 31, 2009 where the decline is considered temporary. The unrealized losses are recorded as a component of accumulated other comprehensive income.

(thousands of dollars)

	2009		2008	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Bonds and debentures	$ 113,913	$ (1,688)	$ 162,435	$ (9,417)
Equities	79,575	(7,916)	202,537	(54,249)
Pooled equity funds	277,221	(60,626)	236,502	(103,167)
Pooled real estate fund	101,686	(646)	–	–
Pooled mortgage fund	28,560	(407)	–	–
	$ 600,955	$ (71,283)	$ 601,524	$ (166,833)

As at December 31, 2009, WCB held investments whose cost exceeded their fair value by $71,283,000. The unrealized losses on the bonds and debentures arose primarily from changes in interest rates. For equities and pooled funds, unrealized losses are primarily the result of investment specific business environment factors related to the underlying investments.

(d) Determination of Fair Value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data.

(thousands of dollars)

	Assets at fair value as at December 31, 2009			
	Level 1	Level 2	Level 3	Total
Equities	406,357	-	-	406,357
Bonds and debentures	381,849	-	-	381,849
Pooled equity funds	277,221	-	-	277,221
Pooled real estate fund	-	101,686	-	101,686
Pooled mortgage fund	-	28,560	-	28,560
Short-term holdings	29,581	-	-	29,581
	1,095,008	130,246	-	1,225,254

(e) Financial Risk Management

WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board of Directors reviews annually the SIP&G and receives regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

(i) Market Risk

WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity Price Risk

WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets. In the SIP&G, WCB limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the fair value of WCB's equity portfolio. Investment in pooled funds shall not exceed 10% of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to other comprehensive income based on changes in WCB's benchmark indices at December 31, 2009:

(thousands of dollars)	10% Change	
Change in Equity Benchmarks	2009	2008
S&P/TSX Composite Index	$ 33,854	$ 26,241
S&P 500 Index	6,795	9,025
MSCI EAFE Index	7,315	6,516
World (ex-Canada) Index	7,750	12,150
S&P/TSX Small Cap Index	5,032	4,983

Interest Rate Risk

WCB is exposed to fluctuations in interest rates that can impact the fair value of its bonds and debentures. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a 1% increase in interest rates would decrease other comprehensive income by approximately $24,056,000 at December 31, 2009 (2008 - $21,337,000), representing 6.3% (2008 - 6.0%) of the $381,849,000 (2008 - $356,800,000) fair value of bonds and debentures.

Foreign Exchange Risk

WCB has certain investments denominated in foreign currencies. During 2009 WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, WCB limits its holdings in foreign equities to 32% of the investment portfolio. As at December 31, 2009, WCB's holdings in foreign equities and pooled equity funds had a fair value of $290,766,000 (2008 - $276,919,000) representing 22.1% (2008 - 23.8%) of the fair value of the total investment portfolio, including cash equivalents. At December 31, 2009, it is estimated that a 10% appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in an increase in other comprehensive income of approximately $29,077,000 (2008 - $27,692,000).

(ii) Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. WCB's credit risk arises primarily from cash equivalents, receivables, accrued interest, fixed term investments and the mortgage pooled fund. The maximum credit exposure related to these financial instruments is $499,679,000 (2008 - $439,936,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10% of the market value of the bond investment portfolio. WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by WCB (note 4).

Credit ratings for the bonds and debentures are as follows:

(thousands of dollars)

	2009		2008	
Credit Rating	Carrying Value	Percent of Portfolio	Carrying Value	Percent of Portfolio
AAA	$ 147,000	38.5%	$ 134,126	37.6%
AA	120,347	31.5%	115,300	32.3%
A	94,802	24.8%	92,222	25.9%
BBB	19,700	5.2%	15,152	4.2%
	$ 381,849		$ 356,800	

(iii) Liquidity Risk

Liquidity risk is the risk that WCB is unable to meet its financial obligations. Cash resources are managed daily based on anticipated cash flows. Payables and accrued liabilities are short- term in nature and due within one year. The cash flow to pay claims benefits is disclosed in note 9 and to pay annuity funds is disclosed in note 10. WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities.

6. PROPERTY, PLANT AND EQUIPMENT:

(thousands of dollars)

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Land	$ 1,375	$ –	$ 1,375	$ 1,375
Building	14,017	6,057	7,960	8,311
Leasehold improvements	6,078	2,264	3,814	4,145
Office furnishings	5,116	4,422	694	612
Computer equipment	12,380	11,743	637	753
	$ 38,966	$ 24,486	$ 14,480	$ 15,196

Amortization for the year is $1,408,000 (2008 - $1,363,000).

7. OTHER ASSETS:

(thousands of dollars)

	2009	2008
Net accrued pension benefit asset (note 15)	$ 8,211	$ 8,589
Intangible assets	5,166	1,909
Prepaid expenses	239	175
	$ 13,616	$ 10,673

Intangible Assets

Intangible assets are comprised of the following:

(thousands of dollars)

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
System Development Costs	$ 32,123	$ 26,957	$ 5,166	$ 1,909

Amortization for the year is $2,084,000 (2008 - $1,724,000). During the year, $5,341,000 (2008 - $2,133,000) of internally generated system development costs were capitalized. Included in system development costs are unamortized costs of $2,682,000 (2008 - nil).

8. PAYABLES AND ACCRUED LIABILITIES:

(thousands of dollars)

	2009	2008
Occupational Health & Safety	$ 9,654	$ 8,393
Employee benefits liability	5,195	4,977
Accrued investment purchases	5,129	–
Premium refunds	4,644	4,979
Other payables	3,023	2,552
Worker's Advocate	764	709
	$ 28,409	$ 21,610

9. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2009 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Future benefits payments have been discounted to their present value by applying a real interest rate of 3.5% per annum. The determination of the future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2009	2008
Inflation	2.5%	2.5%
Real future growth in gross wages	1.0%	1.0%
Real future increase in health care costs	3.5%	3.5%
Expected long-term rate of return on investments	6.0%	6.0%

Adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods are recorded in the current year as claim costs expense together with the actuarial cost of claims for reported and unreported work related injuries that occurred during the year.

Benefits Liabilities Continuance Schedule

(thousands of dollars)

	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	2009 Total	2008
BALANCE, beginning of year	$ 137,381	$ 480,808	$ 75,549	$ 205,289	$ 24,048	$ 46,470	$ 969,545	$ 955,262
ADD:								
Claim costs incurred:								
Current year injuries	60,922	29,328	7,031	59,015	3,504	9,303	169,103	168,461
Prior years' injuries	3,417	19,757	6,903	16,645	4,276	2,653	53,651	37,337
	64,339	49,085	13,934	75,660	7,780	11,956	222,754	205,798
DEDUCT:								
Claim payments made:								
Current year injuries	24,810	506	526	21,048	143	2,940	49,973	50,773
Prior years' injuries	40,296	45,796	9,419	39,178	4,377	7,602	146,668	140,742
	65,106	46,302	9,945	60,226	4,520	10,542	196,641	191,515
BALANCE, end of year	$ 136,614	$ 483,591	$ 79,538	$ 220,723	$ 27,308	$ 47,884	$ 995,658	$ 969,545

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(thousands of dollars)	
2010 - 2014	470,563
2015 - 2019	235,009
2020 - 2024	132,644
2025 - 2029	73,719
2030 - 2034	40,237
2035 and beyond	43,486
	$ 995,658

The following is a reconciliation of the benefits liabilities:

(thousands of dollars)	2009	2008
BALANCE, beginning of year	$ 969,545	$ 955,262
ADD:		
Change in actuarial assumptions	188	18,815
Provision for current year injuries	169,103	168,461
Provision for prior years' injuries		
Interest allocated	53,773	53,095
Prior years' claim cost experience higher (lower) than expected	14,030	(47,846)
Effect of actual cost of living adjustment (lower) higher than expected	(14,340)	13,273
	222,754	205,798
DEDUCT:		
Benefit payments	186,099	181,288
Claim adjudication expense	10,542	10,227
	196,641	191,515
BALANCE, end of year	$ 995,658	$ 969,545

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed investment return of 6.0 per cent. The approximate impact of a 0.5 per cent decrease in the assumed investment return results in a $33,016,000 increase in the benefits liabilities.

Health Care benefits liabilities are calculated assuming a future rate of escalation of health care costs of 6.0 per cent per year. A 0.5 per cent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately $11,526,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes WCB's injured worker claim termination experience. A flat reduction of 5.0 per cent in these termination rates would increase benefits liabilities by approximately $9,107,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of 5.0 per cent in these mortality rates would increase benefits liabilities by approximately $1,877,000.

10. ANNUITY FUND PAYABLE:

(thousands of dollars)

	2009	2008
BALANCE, beginning of year	$ 158,921	$ 155,915
ADD: Contributions		
Principal	5,925	5,679
Interest	5,958	4,997
	11,883	10,676
DEDUCT: Payouts		
Principal	2,975	2,954
Interest	4,143	4,716
	7,118	7,670
BALANCE, end of year	$ 163,686	$ 158,921

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2009.

(thousands of dollars)	
2010 - 2014	32,254
2015 - 2019	39,562
2020 - 2024	39,481
2025 - 2029	31,568
2030 - 2034	11,463
2035 and beyond	9,358
	$ 163,686

Due to the nature of the annuity fund payable, its carrying value at December 31 approximates fair value.

11. PREMIUMS:

(thousands of dollars)

	2009	2008
Premiums	**$ 255,366**	$ 246,529
Experience Rating Program - Discounts	**(21,699)**	(21,815)
Experience Rating Program - Surcharges	**21,578**	19,838
Other premium related income	**(81)**	640
	$ 255,164	245,192

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records.

The Government of Canada is a self-insured employer whose claims are administered by WCB. The Government reimburses WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to WCB for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2009 were $4,902,000 (2008 - $4,266,000).

12. RESERVES:

(thousands of dollars)

	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	2009 Total	2008 Total
BALANCE, beginning of year	$ 19,391	$ 29,086	$ 9,696	$ 58,173	$ 57,316
Appropriation from Injury Fund	522	784	261	1,567	857
Appropriation to fund cost relief for employers	12,664	–	10,682	23,346	22,589
Allocations for cost relief for employers	(12,664)	–	(10,682)	(23,346)	(22,589)
BALANCE, end of year	$ 19,913	$ 29,870	$ 9,957	$ 59,740	$ 58,173

To maintain a funded status that is consistent with the statutory requirements of the Act, WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, approved December 2007, maintains the following reserves and specifies that they be determined based on the current benefits liabilities.

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two percent of benefits liabilities for this reserve.

(b) The Occupational Disease Reserve will cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim. The funding policy specifies a rate of three percent of benefits liabilities for this reserve.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one percent of benefit liabilities for this reserve.

13. SAFETY AND PREVENTION:

(thousands of dollars)

	2009	2008
Occupational Health & Safety	$ 9,654	$ 8,393
Safety Association Grants	6,060	5,085
WorkSafe Saskatchewan	890	1,329
	$ 16,604	$ 14,807

Section 117(g) of the Act allows WCB to expend monies for the cost of administration of the industrial safety program.

WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. In 2009, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Agricultural Manufacturers of Canada, Saskatchewan Association of Health Organizations, Motor Safety Association of Saskatchewan Inc., Saskatchewan Meat Industry Safety Association and Enform.

14. LEGISLATIVE OBLIGATIONS:

(thousands of dollars)

	2009	2008
Worker's Advocate	$ 764	$ 709
Committee of Review	-	-
	$ 764	$ 709

Section 117(h) and (i) of the Act allows WCB to expend monies for the expenses, including salaries and remuneration, of the office of the Worker's Advocate; and the expenses of any Committee of Review established under the Act.

15. EMPLOYEE FUTURE BENEFITS:

WCB sponsors defined benefit and defined contribution pension arrangements covering all employees. WCB uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan revenue is based on an extrapolation of the results in the most recent actuarial valuation of the pension plan as at December 31, 2006. The following significant actuarial assumptions were employed to determine the net benefit plan expense (revenue) and accrued benefit obligations:

	2009	2008
Expected long-term rate of return on plan assets	5.85%	6.75%
Discount rate	5.85%	6.75%
Average rate of compensation increase	3.25%	3.25%
Average remaining service period	1.73 years	2.36 years
Inflation	2.25%	2.25%

Net benefit plan expense (revenue) is as follows:

(thousands of dollars)

	2009	2008
Current service cost – defined benefit	$ 164	$ 318
Interest cost	1,870	1,876
Expected return on plan assets	(2,107)	(2,007)
Amortization of net actuarial loss	1,329	–
Amortization of net transitional asset	(878)	(878)
Net benefit plan expensive (revenue)	$ 378	$ (691)

Information about the WCB's defined pension benefit plan is as follows:

(thousands of dollars)

	2009	2008
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	$ 28,236	$ 32,260
Current service cost – employer share	164	319
Current service cost – employee share	77	89
Interest cost	1,870	1,676
Actuarial gain	(495)	–
Change in actuarial assumptions	3,189	(4,615)
Benefits paid	(1,539)	(1,492)
Accrued benefit obligation, end of year	$ 31,502	$ 28,236
Plan assets		
Fair value of plan assets, beginning of year	$ 31,944	$ 38,923
Expected return on plan assets	2,107	2,807
Employer contributions	–	–
Employee contributions	77	89
Benefits paid	(1,539)	(1,492)
Actuarial gain (loss)	2,004	(7,583)
Fair value of plan assets, end of year	$ 34,593	$ 31,944
Plan surplus	$ 3,091	3,708
Unamortized net actuarial loss	5,691	6,330
Unamortized net transitional asset	(571)	(1,449)
Net accrued pension benefit asset	$ 8,211	$ 8,589

The asset allocation of the defined benefit pension plan assets is as follows:

		Percent of Plan Assets	
Asset Category	Target Range	2009	2008
Short term investments	0 - 30%	4%	4%
Bonds and debentures	30 - 60%	43%	43%
Canadian equities	15 - 35%	28%	24%
Foreign equities	15 - 35%	25%	27%
Mortgages	0 - 5%	0%	2%

WCB also has employees who are members of a defined contribution plan. WCB's financial liability is limited to matching employee contributions of seven percent to the plan. During the year, WCB incurred costs of $1,875,000 (2008 - $1,761,000) related to its defined contribution plan.

16. RELATED PARTY TRANSACTIONS:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to WCB by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

These transactions, and amounts outstanding at year-end, are as follows:

(thousands of dollars)

	2009	2008
Premium revenue	$ 49,966	$ 46,514
Claims costs	12,363	12,439
Payables and accrued liabilities	10,889	9,259
Investments	10,360	10,234
Administration expenses	1,193	1,193
Investment income	604	283
Receivables	128	152

17. CONTINGENCIES:

Due to the size, complexity and nature of WCB's operations various claims appeals and legal matters are pending. In the opinion of management, these matters will not have a material effect on WCB's financial position or results of operations.

18. CAPITAL MANAGEMENT:

WCB's objectives when managing capital are to build Funded Position that supports the long-term financial stability of WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing WCB's Funded Position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status.

WCB monitors its funded status on the basis of its funding percentage which is calculated as the balance in the Injury Fund divided by the Benefits Liabilities of WCB. The funding policy has set a funding percentage target range for the Injury Fund of 5% to 20% of Benefits Liabilities.

The funding percentages at December 31 were as follows:

(Thousands of dollars)

	2009	2008
Injury Fund	$ 111,016	$ 109,023
Benefit Liabilities	$ 995,658	$ 969,545
Funding Percentage	11.2%	11.2%

19. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The fair value of financial assets and liabilities other than investments (note 5), benefits liabilities (note 9), and annuity fund payable (note 10) approximates carrying value due to their immediate or short term nature.

20. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform to the current year's presentation.

SCHEDULE 1 -
ADMINISTRATION EXPENSES

(thousands of dollars)

	2009	2008
Salaries and employee benefits	$ 33,558	$ 30,819
Amortization	3,492	3,087
Building operations	1,488	1,308
Computer processing	1,222	1,142
Communications and postage	894	994
Consulting services	759	646
Travel and automobile expenses	709	851
Printing, stationery and office expenses	676	700
Office rental	635	589
Professional services	586	531
Community relations	164	156
Market research	124	113
Advertising	88	182
Miscellaneous	53	69
	44,448	41,347
Less:		
Fees charged to self-insurers	1,364	1,065
	43,084	40,182
Less:		
Administration costs charged to Future Benefits		
Administration (note 9)	10,542	10,227
	$ 32,542	$ 29,955

EXHIBIT 1: STATEMENT OF INVESTMENTS

Security	Par Value	Carrying Value
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 29,600	$ 29,581
Government of Canada	26,260	29,449
SS School Board Trust	1,422	1,510
Alberta Capital Fin Authority	3,548	3,398
Municipal Finance Authority	12,592	13,141
Ontario Infrastructure	3,830	3,749
Ontrea Inc.	3,447	3,738
Province of British Columbia	11,951	13,253
Province of Manitoba	5,042	5,185
Province of New Brunswick	2,398	2,276
Province of Newfoundland and Labrador	6,019	5,871
Province of Nova Scotia	1,498	1,669
Province of Ontario	21,332	23,437
Province of Quebec	15,698	17,366
Province of Saskatchewan	9,494	10,360
407 international	1,618	1,674
Aeroports De Montreal	730	763
Alliance Pipeline	1,582	1,744
Bank of Montreal	2,054	2,262
Bank of Nova Scotia	14,565	15,077
BC Ferry Services Inc.	2,420	2,525
Bell Alliant Regional Communications	1,001	1,040
Bell Canada Maintenance	1,651	1,733
Boreal tc infrastructure Trust	2,498	2,643
Broadway Credit Card Trust	1,328	1,382
Canada Housing Trust	67,344	69,032
Canadian imperial Bank of Commerce	7,974	8,119
Citigroup Inc.	1,542	1,408
Column Canada	1,006	1,031
Consumers Waterheater Co	1,949	1,935
CU Inc.	1,082	1,081
Enbridge Pipelines inc.	2,237	2,213
Epcore Utilities	4,862	5,106
Finning int l Inc.	1,795	1,890
Fortisalberta Inc.	1,117	1,217
GE Capital, Canada	8,153	8,082
Genesis Trust Power Line of Credit	1,853	1,925
Glacier Credit Card Trust	1,294	1,370
Greater Toronto Airports Auth	6,313	6,826
Great-West Lifeco Inc.	2,507	2,503
Honda Canada Finance Inc.	3,916	4,099
HSBC Financial Corp. Ltd.	1,687	1,701
Hydro One Inc.	1,566	1,685
Hydro-Quebec	5,475	8,444
Investors Group Inc.	1,917	2,030
John Deere Capital Corp.	2,501	2,655
Manitoba Telecom Services	1,245	1,300
Manulife Financial Corp.	1,597	1,697
Merrill Lynch	6,544	6,676
MetLife Global Funding	2,952	3,036
N - 45 Degrees Ist CMBS Iss Corp.	834	824
National Bank of Canada	3,082	3,187
Nederlandse Gemeeten NV Bank	1,587	1,557

Security	Par Value	Carrying Value
New York Life	1,737	1,798
Orinoe Issuer Trust	1,854	1,873
Plenary Health Bridgepoint LP	667	687
PSP Capital Inc.	6,083	6,447
Royal Bank of Canada	10,410	10,958
Royal Office Finance	7,499	7,356
Shoppers Drug Mart Corp.	1,539	1,636
Sun Life Financial	4,291	4,395
TCHC Issuer Trust	1,033	959
TD Capital	2,824	3,191
Telus Corp.	5,068	5,321
Terasen Gas	1,593	1,636
Thompson Reuters	3,322	3,681
Toronto Dominion Bank	6,376	6,687
Transcanada Pipelines Ltd.	1,180	1,457
Wells Fargo Financial Canada Corp.	4,375	4,402
Woodbridge Finance	1,258	1,291
Templeton Global Equity Trust		140,139
Greystone EAFE Plus Fund		69,351
Greystone Canadian Equity, Small Cap Fund		67,731
Greystone Mortgage Fund		28,560
Greystone Real Estate Fund Inc.		101,686
Agrium Inc.		3,640
Bank of Nova Scotia		14,337
BCE Inc.		8,031
Bombardier Inc.		5,487
Brookfield Asset Mgt.		3,089
CAE Inc.		3,224
Canadian Natural Resources Ltd.		17,645
Celestica inc.		3,399
Cenovus Energy		4,960
CGI Group Inc.		5,037
Crescent Point Energy Corp.		8,294
Eldorado Gold Corp.		10,974
Encana Corporation		6,398
Ensign Energy Services Inc.		2,340
First Quantum Minerals Ltd.		4,264
Goldcorp Inc.		13,864
Intact Financial Corp.		5,673
Lundin Mining Corp.		2,276
Metro Inc.		2,659
National Bank of Canada		11,975
Open Text Corporation		3,880
Pacific Rubiales Energy Corp.		4,168
PetroBakken Energy Ltd.		5,066
Petrobank Energy and Resources Ltd.		9,276
Potash Corp of Saskatchewan Inc.		9,718
Power Corp. of Canada		14,347
Red Back Mining inc.		5,989
Research in Motion Ltd.		14,421
Royal Bank of Canada		22,912
Saputo Inc.		5,239
Shaw Communications Inc.		6,483
Shoppers Drug Mart Corp.		7,076

(UNAUDITED)

Security	Par Value	Carrying Value
Sino-Forest Corp.		5,053
SNC-Lavalin Group Inc.		9,968
Suncor Energy Inc.		8,071
Talisman Energy Inc.		13,622
Teck Cominco Ltd.		10,908
Thompson Reuters		7,702
Tim Hortons Inc. (CA88706M1032)		5,154
Toronto Dominion Bank		17,262
3M Company		2,247
Aflac Inc.		3,287
Aon Corp.		1,123
Apple Inc.		2,456
Bank of New York Mellon Corp.		1,541
Baxter Int'l Inc.		1,588
Becton, Dickinson and Company		1,749
Best Buy Co., Inc.		1,414
Church & Dwight Co., Inc.		1,619
Cisco Systems, Inc.		2,271
Express Scripts, Inc.		1,978
Franklin Resources Inc.		1,782
Freeport-McMoRan Copper & Gold Inc.		2,373
General Mills		2,004
Gilead Sciences, Inc.		2,219
Goldman Sachs Group		2,046
Gymboree Corp.		1,164
Halliburton		2,666
Hansen Natural Corp.		1,175
Honeywell International Inc.		1,807
Intel Corp.		2,276
International Business Machines Corp.		2,861
McDermott International, Inc.		1,698
McDonald's Corp.		1,703
Microsoft Corp.		2,344
Monsanto Co.		1,445
Nike		1,786
Occidental Pete Corp.		2,661
Oceaneering International Inc.		1,298
Oracle Corp.		3,056
Pepsico Inc.		1,673
Praxair Inc.		1,830
Qualcomm Inc.		2,062
Time Warner Inc.		2,728
TJX Companies, Inc.		1,744
Transocean Ltd.		2,079
Ultra Petroleum Corp.		1,941
Varian Medical Systems, Inc.		1,441
Wal-Mart Stores, Inc.		2,145
Walter Energy, Inc.		2,246
Yum! Brands, Inc.		1,450
Bridgeport Road Equties Inc.		1,301
Carrefour Lachenaie		2,127
GMPI - Kitchener		465
GMPI - Mt. Lehman		340
GMPI - Wagon Wheel		174

Security	Par Value	Carrying Value
IPSCO Land Development		2,419
Key West		2,298
KS Equities Inc.		630
KS Equities No. 3		1,410
Milton Lands		443
PFR Voting Class A		1
Portland Street		1,729
Rodick Equities Inc.		2,048
Seven Oaks Equities Inc.		2,462
Sunrise Town Square		794
TV. Equities		1,763
Tilbury Island Equities		943
Westhills Calgary		1,136
	$ 392,818	$ 1,246,739

Security	Par Value	Carrying Value
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 29,600	$ 29,581
Government of Canada Bonds	28,260	29,449
Provincial Government Bonds	98,271	104,953
Corporate Bonds	236,687	247,447
	363,218	381,849
Templeton Global Equity Trust		140,139
Greystone EAFE Plus Fund		69,351
Greystone Canadian Equity Small Cap Fund		67,731
Greystone Mortgage Fund		28,560
Greystone Real Estate Fund Inc.		101,686
Canadian Equities		325,081
American Equities		81,276
		813,824
Real Estate (at carrying amount)	-	21,485
	$ 392,818	$ 1,246,739

EXHIBIT 2: STATEMENT OF LONG-TERM INVESTMENT DISPOSITIONS

Interest Rate %	Security	Maturity Date	Proceeds
	Discount Notes and Treasury Bills (classified as long term investments)		$ 229,307
	3100 Production Way	Canadian Equity	3,972
4.900	407 International	October 4, 2010	1,258
5.000	407 International	January 31, 2011	418
	410 & 7 Equities Inc.	Canadian Equity	3,462
	50 Bloor Street West	Canadian Equity	6,019
	7835 Mississauga Road Ontario	Canadian Equity	643
	Abbott Laboratories	U.S. Equity	2,107
	Accenture Ltd. Bermuda	U.S. Equity	1,970
6.611	Aeroports De Montreal	October 19, 2033	1
	Aflac Inc.	U.S. Equity	997
	Agnum Inc.	Canadian Equity	3,088
	Airways III	Canadian Equity	2,532
4.650	Alberta Capital Fin Authority	June 15, 2017	1,252
3.850	Alberta Treasury Branches Debentures	June 3, 2013	1,706
7.181	Alliance Pipeline	June 30, 2023	25
	Amerigroup Corp.	U.S. Equity	596
	Aon Corp.	U.S. Equity	127
	Apollo Group, Inc.	U.S. Equity	1,759
	Apple Inc.	U.S. Equity	589
	ASET Properties Inc.	Canadian Equity	3,293
4.690	Bank of Montreal	January 31, 2011	2,964
5.180	Bank of Montreal	June 10, 2015	4,932
5.450	Bank of Montreal	July 17, 2017	1,657
	Bank of New York Mellon Corp.	U.S. Equity	176
FR	Bank of Nova Scotia	May 6, 2009	1,048
4.580	Bank of Nova Scotia	February 15, 2011	5,710
FR	Bank of Nova Scotia	March 27, 2018	304
	Bank of Nova Scotia	Canadian Equity	3,258
	Barrick Gold Corp.	Canadian Equity	10,095
	Baxter Int'l Inc.	U.S. Equity	379
	BCE Inc.	Canadian Equity	5,843
	Becton, Dickinson and Company	U.S. Equity	724
4.720	Bell Aliant Regional Communications	September 26, 2011	410
5.520	Bell Aliant Regional Communications	February 26, 2019	1,377
	Berkley Corp.	U.S. Equity	1,461
	Bombardier Inc.	Canadian Equity	608
	Bramalea City Centre	Canadian Equity	5,326
	Brampton Business Park	Canadian Equity	3,830
	Bridgeport Road Equities Inc.	Canadian Equity	31
	Broadway Equities Inc.	Canadian Equity	2,098
	Brookfield Asset Mgt.	Canadian Equity	1,723
	CAE Inc.	Canadian Equity	334
3.550	Canada Housing Trust	June 15, 2010	3,371
FR	Canada Housing Trust	September 15, 2010	8,361
4.600	Canada Housing Trust	September 15, 2011	12,298
2.700	Canada Housing Trust	December 15, 2013	6,542
FR	Canada Housing Trust	September 15, 2014	10,932
3.150	Canada Housing Trust	June 15, 2015	10,600
3.750	Canada Housing Trust	March 15, 2020	1,767
3.750	Canadian Imperial Bank of Commerce	September 9, 2015	2,027
4.550	Canadian Imperial Bank of Commerce	March 28, 2016	3,895
	Canadian Natural Resources Ltd.	Canadian Equity	5,013
4.379	Cards II Trust	October 15, 2009	1,096
	Carrefour Lachenaie	Canadian Equity	23
	Celestica Inc.	Canadian Equity	53
	CGI Group Inc.	Canadian Equity	874
	Chevron Corp.	U.S. Equity	2,368
	Cisco Systems, Inc.	U.S. Equity	189
5.500	Citigroup Inc.	May 21, 2013	1,365
5.160	Citigroup Inc.	May 24, 2027	354
	Colebrook 152 Holdings Inc.	Canadian Equity	4,086
	Commerce Valley Office	Canadian Equity	2,802
	Cordova Equities Inc.	Canadian Equity	1,167
	Crescent Point Energy Corp.	Canadian Equity	143
	Crossroads Shopping Centre	Canadian Equity	789
	Deere & Company	U.S. Equity	1,301
	Discovery Place B.C.	Canadian Equity	2,034
	Eldorado Gold Corp.	Canadian Equity	851
	Emerson Electric Co.	U.S. Equity	1,098
	Encana Corporation	Canadian Equity	10,438
	Ensign Energy Services Inc.	Canadian Equity	587
5.800	Epcore Utilities	January 31, 2018	292
	Esluma Equities Inc.	Canadian Equity	831
	Explorer Drive	Canadian Equity	4,413
	Express Scripts, Inc.	U.S. Equity	666
4.500	Farm Credit Canada	June 1, 2009	9,519
	Finning Int'l Inc.	Canadian Equity	3,013
	First Quantum Minerals Ltd.	Canadian Equity	1,038
	FP Equities Inc.	Canadian Equity	1,514
	Franklin Resources Inc.	U.S. Equity	1,185
	Genentech Inc.	U.S. Equity	2,169
	General Mills	U.S. Equity	161
	Gilead Sciences, Inc.	U.S. Equity	279
	Glenwood Estates	Canadian Equity	3,154
	Goldcorp Inc.	Canadian Equity	1,280
3.750	Government of Canada	June 1, 2009	14,717
2.750	Government of Canada	December 1, 2010	13,105
1.000	Government of Canada	September 1, 2011	15,947
3.500	Government of Canada	June 1, 2013	12,990
4.250	Government of Canada	June 1, 2018	393
3.750	Government of Canada	June 1, 2019	15,476
5.000	Government of Canada	June 1, 2037	28,738
	Great Plains Industrial Alberta	Canadian Equity	1,429
6.250	Greater Toronto Airports Auth.	January 30, 2012	1,542
6.250	Greater Toronto Airports Auth.	December 13, 2012	596
5.260	Greater Toronto Airports Auth.	April 17, 2018	341
	Greystone EAFE Plus Fund	Pooled Equity Fund	8,500
	Greystone Real Estate Fund Inc.	Pooled Equity Fund	169
	Groupe Aeroplan Inc.	Canadian Equity	2,576
	H. J. Heinz Co.	U.S. Equity	2,386
	Halliburton	U.S. Equity	121
	Hansen Natural Corp.	U.S. Equity	517
	Howlett - Packard	Canadian Equity	4,667
	Honeywell International Inc.	U.S. Equity	158
4.000	HSBC Financial Corp. Ltd.	May 3, 2010	568
4.080	Hydro One Inc.	March 3, 2011	2,119
5.180	Hydro One Inc.	October 18, 2017	3,675
	Imperial Oil Ltd.	Canadian Equity	5,333
	Intact Financial Corp.	Canadian Equity	3,205
	International Business Machines Corp.	U.S. Equity	886
4.300	Int'l Bk Reconstr. & Dev.	December 15, 2015	4,172

(UNAUDITED)

Interest Rate %	Security	Maturity Date	Proceeds
	IPSCO Land Development	Canadian Equity	211
4.600	John Deere Capital Corp.	January 25, 2010	854
5.250	John Deere Capital Corp.	October 18, 2010	944
	Kennedy Corporate	Canadian Equity	718
	Kroger Co.	U.S. Equity	2,527
	KS Equities Inc.	Canadian Equity	185
	KS Equities No. 3	Canadian Equity	55
	Lockheed Martin Corp.	U.S. Equity	2,145
	Lundin Mining Corp.	Canadian Equity	458
5.161	Manulife Financial Corp.	June 26, 2015	337
	Manulife Financial Corp.	Canadian Equity	10,832
	Marine Drive	Canadian Equity	1,247
	McDonald's Corp.	U.S. Equity	1,530
	Metro Inc.	Canadian Equity	306
	Microsoft Corp.	U.S. Equity	365
	Monsanto Co.	U.S. Equity	705
4.456	National Bank of Canada	November 2, 2016	849
4.700	National Bank of Canada	November 2, 2020	582
	National Bank of Canada	Canadian Equity	188
5.304	NAV CANADA	April 17, 2019	717
4.750	Nederlandse Gemeenten NV Bank	June 22, 2014	1,405
	Nexen Inc.	Canadian Equity	10,056
	Nike, U.S. Equity		859
	Nucor Corp.	U.S. Equity	853
	Occidental Pete Corp.	U.S. Equity	471
	Oceaneering International Inc.	U.S. Equity	1,307
	Open Text Corporation	Canadian Equity	1,594
	Oracle Corp.	U.S. Equity	265
	Pacific Rubiales Energy Corp.	Canadian Equity	54
	Peabody Energy Corp.	U.S. Equity	1,398
	Pepsico Inc.	U.S. Equity	566
	Peregrine - Airport Equities Ltd.	Canadian Equity	433
	Peregrine - Broadway	Canadian Equity	1,481
	Peregrine - Waverley	Canadian Equity	329
	Peregrine - Westview Manitoba	Canadian Equity	330
	Petrobank Energy and Resources Ltd.	Canadian Equity	813
	Potash Corp of Saskatchewan Inc.	Canadian Equity	6,026
	Power Corp. of Canada	Canadian Equity	370
	Praxair Inc.	U.S. Equity	177
	Procter & Gamble Co.	U.S. Equity	1,701
4.000	Province of Alberta	December 1, 2019	3,188
7.500	Province of British Columbia	June 9, 2014	2,963
8.000	Province of British Columbia	September 8, 2023	1,796
4.250	Province of Manitoba	May 3, 2018	1,488
6.375	Province of New Brunswick	June 15, 2010	3,064
4.500	Province of New Brunswick	February 4, 2015	3,448
6.400	Province of Nova Scotia	September 1, 2010	3,142
4.500	Province of Nova Scotia	June 1, 2013	4,470
5.500	Province of Ontario	June 2, 2018	2,361
4.400	Province of Ontario	June 2, 2019	3,255
4.850	Province of Ontario	June 2, 2020	5,659
6.500	Province of Ontario	March 8, 2029	1,206
5.600	Province of Ontario	June 2, 2035	3,627
4.700	Province of Ontario	June 2, 2037	2,149
6.000	Province of Quebec	October 1, 2012	2,080
4.500	Province of Quebec	December 1, 2017	2,965
4.500	Province of Quebec	December 1, 2018	3,993
5.750	Province of Quebec	December 1, 2036	1,650
5.000	Province of Saskatchewan	March 5, 2037	1,770

Interest Rate %	Security	Maturity Date	Proceeds
	Qualcomm Inc.	U.S. Equity	435
	Quance Equities Inc.	Canadian Equity	1,168
	Rawne Equities Inc.	Canadian Equity	2,597
	Research In Motion Ltd.	Canadian Equity	2,358
	Rogers Communications Inc.	Canadian Equity	8,604
5.200	Royal Bank of Canada	August 15, 2012	679
4.970	Royal Bank of Canada	June 5, 2014	4,150
	Royal Bank of Canada	Canadian Equity	1,485
5.209	Royal Office Finance	November 12, 2032	28
	Rutherford Properties Ltd.	Canadian Equity	3,813
	Saputo Inc.	Canadian Equity	419
	Shaw Communications Inc.	Canadian Equity	731
	Sherwin Road Industrial Park	Canadian Equity	1,279
	Shoppers Drug Mart Corp.	Canadian Equity	3,262
	Shoppers World	Canadian Equity	1,772
	Silver Seven Equities	Canadian Equity	6,652
	Sino-Forest Corp.	Canadian Equity	445
	Skyview Power Centre	Canadian Equity	2,471
	SNC-Lavalin Group Inc.	Canadian Equity	947
	Southed Equities Inc. - Alberta	Canadian Equity	2,919
	SPDR Trust Unit	U.S. Equity	1,255
	St. Martin Adidas	Canadian Equity	956
	St. Martin Equities	Canadian Equity	1,027
	Stericycle, Inc.	U.S. Equity	1,337
	T.V. Equities	Canadian Equity	359
	Talisman Energy Inc.	Canadian Equity	652
FR	TD Capital	December 31, 2049	507
	Teck Cominco Ltd.	Canadian Equity	98
5.200	Thompson Corp.	December 1, 2014	1,094
5.700	Thompson Reuters	June 15, 2015	1,651
	Thompson Reuters	Canadian Equity	1,013
	Tim Hortons Inc. (CA88706M1032)	Canadian Equity	79
	Tim Hortons Inc. (US88706M1036)	U.S. Equity	6,053
4.854	Toronto Dominion Bank	February 13, 2013	2,492
5.382	Toronto Dominion Bank	November 1, 2017	319
4.779	Toronto Dominion Bank	December 14, 2105	501
	Toronto Dominion Bank	Canadian Equity	6,171
	Transalta Corp.	Canadian Equity	5,395
	Transcanada Corp.	Canadian Equity	12,406
	Transocean Ltd.	U.S. Equity	619
	Tristar Oil & Gas Ltd.	Canadian Equity	6,019
	Twin Equities Inc. Alberta	Canadian Equity	2,115
	Ultra Petroleum Corp.	U.S. Equity	112
	University Equities	Canadian Equity	2,767
	Varian Medical Systems, Inc.	U.S. Equity	418
	Victoria Gate	Canadian Equity	680
	Viterra Inc.	Canadian Equity	4,132
	Wal-Mart Stores, Inc.	U.S. Equity	1,440
4.450	Wells Fargo Financial Canada Corp.	February 28, 2011	3,253
4.330	Wells Fargo Financial Canada Corp.	December 6, 2013	1,090
	West Island Equities	Canadian Equity	3,296
	WestJet Airlines Ltd.	Canadian Equity	2,527
	Westside Equities Inc.	Canadian Equity	1,343
	Wireless Way Equities Inc.	Canadian Equity	898
	WR Equities 505 3rd Street	Canadian Equity	1,060
	WR Equities Scotia	Canadian Equity	3,625
			$ 825,373

EXHIBIT 3: STATEMENT OF LONG-TERM INVESTMENT ACQUISITIONS

Interest Rate %	Security	Maturity Date	Par Value	Purchase Price
	Discount Notes and Treasury Bills (classified as long term investments)		$	240,261
	3100 Production Way	Canadian Equity		28
	3M Company	U.S. Equity		2,136
	7835 Mississauga Road Ontario	Canadian Equity		9
	Abbott Laboratories	U.S. Equity		87
	Aflac Inc.	U.S. Equity		1,245
	Agrium Inc	Canadian Equity		52
	Amerigroup Corp.	U.S. Equity		751
	Aon Corp.	U.S. Equity		1,472
	Apollo Group, Inc.	U.S. Equity		1,117
	Apple Inc.	U.S. Equity		101
5.160	Bank of Montreal	June 10, 2015	2,834	2,952
	Bank of New York Mellon Corp.	U.S. Equity		383
3.350	Bank of Nova Scotia	November 18, 2014	8,179	8,176
	Bank of Nova Scotia	Canadian Equity		1,064
	Baxter Int'l Inc.	U.S. Equity		470
	BCE Inc.	Canadian Equity		2,125
	Becton, Dickinson and Company	U.S. Equity		94
4.850	Bell Canada Maintenance	June 30, 2014	1,651	1,648
	Berkley Corp.	U.S. Equity		294
	Best Buy Co., Inc.	U.S. Equity		1,497
	Broadway Equities Inc.	Canadian Equity		436
	Brookfield Asset Mgt.	Canadian Equity		201
	CAE Inc.	Canadian Equity		150
4.600	Canada Housing Trust	September 15, 2011	18,406	19,653
4.550	Canada Housing Trust	December 15, 2012	5,807	6,227
FR	Canada Housing Trust	September 15, 2014	15,568	15,613
FR	Canada Housing Trust	March 15, 2015	13,216	13,217
3.150	Canada Housing Trust	June 15, 2015	31,912	32,343
3.750	Canada Housing Trust	March 15, 2020	4,511	4,494
3.300	Canadian Imperial Bank of Commerce	November 19, 2014	5,563	5,561
	Canadian Natural Resources Ltd.	Canadian Equity		4,196
	Carrefour Lachenaie	Canadian Equity		31
	Celestica Inc.	Canadian Equity		3,409
	Cenovus Energy	Canadian Equity		6,418
	CGI Group Inc.	Canadian Equity		191
	Church & Dwight Co., Inc.	U.S. Equity		1,668
	Cisco Systems, Inc.	U.S. Equity		94
	Colebrook 152 Holdings Inc.	Canadian Equity		1,406
6.750	Consumers Waterheater Co.	April 30, 2014	1,949	1,946
	Crescent Point Energy Corp.	Canadian Equity		6,313
	Discovery Place B.C.	Canadian Equity		356
	Eldorado Gold Corp.	Canadian Equity		8,533
5.350	Enbridge Pipelines Inc.	November 12, 2019	2,237	2,241
	Encana Corporation	Canadian Equity		1,959
	Ensign Energy Services Inc.	Canadian Equity		122
	Express Scripts, Inc.	U.S. Equity		80
	First Quantum Minerals Ltd.	Canadian Equity		3,548
	Franklin Resources Inc.	U.S. Equity		1,926
	Freeport-McMoRan Copper & Gold Inc.	U.S. Equity		1,938
	General Mills	U.S. Equity		76

Interest Rate %	Security	Maturity Date	Par Value	Purchase Price
	Gilead Sciences, Inc.	U.S. Equity		218
	Glenwood Estates	Canadian Equity		159
	GMPI - Kitchener	Canadian Equity		255
	Goldcorp Inc.	Canadian Equity		14,182
	Goldman Sachs Group	U.S. Equity		1,854
2.750	Government of Canada	December 1, 2010	12,759	13,122
1.000	Government of Canada	September 1, 2011	20,373	20,242
3.500	Government of Canada	June 1, 2013	12,018	12,830
3.750	Government of Canada	June 1, 2019	19,024	19,536
5.000	Government of Canada	June 1, 2037	29,316	35,002
4.000	Government of Canada	June 1, 2041	10,980	10,927
	Great Plains Industrial Alberta	Canadian Equity		298
6.250	Greater Toronto Airports Auth.	December 13, 2012	1,379	1,531
5.998	Great-West Lifeco Inc.	November 16, 2039	1,544	1,552
	Greystone Canadian Equity Small Cap Fund	Pooled Equity Fund		3,293
	Greystone EAFE Plus Fund	Pooled Equity Fund		2,063
	Greystone Mortgage Fund	Pooled Equity Fund		28,968
	Greystone Real Estate Fund inc.	Pooled Equity Fund		102,503
	Groupe Aeroplan Inc.	Canadian Equity		128
	Gymboree Corp.	U.S. Equity		1,186
	Halliburton	U.S. Equity		831
	Hansen Natural Corp.	U.S. Equity		1,773
	Honeywell International Inc.	U.S. Equity		78
11.000	Hydro-Quebec	August 15, 2020	3,629	5,614
	Imperial Oil Ltd.	Canadian Equity		5,849
	Intact Financial Corp.	Canadian Equity		6,339
	Intel Corp.	U.S. Equity		2,160
	International Business Machines Corp.	U.S. Equity		133
	IPSCO Land Development	Canadian Equity		728
4.800	John Deere Capital Corp.	April 20, 2012	1,231	1,230
	Kroger Co.	U.S. Equity		106
	KS Equities Inc.	Canadian Equity		5
	KS Equities No. 3	Canadian Equity		117
	Lockheed Martin Corp.	U.S. Equity		99
	Lundin Mining Corp.	Canadian Equity		2,006
	McDermott International, Inc.	U.S. Equity		1,911
	McDonald's Corp.	U.S. Equity		101
	Metro Inc.	Canadian Equity		455
	Microsoft Corp.	U.S. Equity		86
	Monsanto Co.	U.S. Equity		327
4.800	Municipal Finance Authority	December 1, 2017	1,187	1,253
4.700	National Bank of Canada	November 2, 2020	804	846
	National Bank of Canada	Canadian Equity		10,608
5.304	NAV CANADA	April 17, 2019	670	670
	Nike	U.S. Equity		90
	Occidental Pete Corp.	U.S. Equity		1,208
	Oceaneering International Inc.	U.S. Equity		1,178
	Open Text Corporation	Canadian Equity		149
	Oracle Corp.	U.S. Equity		125
5.727	Ornge Issuer Trust	June 11, 2034	1,854	1,854
	Pacific Rubiales Energy Corp.	Canadian Equity		3,465
	Peabody Energy Corp.	U.S. Equity		20

Interest Rate %	Security	Maturity Date	Par Value	Purchase Price
	Pepsico Inc.	U.S. Equity		83
	PetroBakken Energy Ltd.	Canadian Equity		5,223
	Petrobank Energy and Resources Ltd.	Canadian Equity		264
7.246	Plenary Health Bridgepoint LP	August 31, 2042	867	884
	Portland Street	Canadian Equity		27
	Power Corp. of Canada	Canadian Equity		2,628
	Praxair Inc.	U.S. Equity		82
4.600	Province of Alberta	December 1, 2019	3,177	3,151
4.100	Province of British Columbia	December 18, 2019	3,521	3,524
5.700	Province of British Columbia	June 18, 2029	3,165	3,472
4.500	Province of Nova Scotia	June 1, 2013	3,002	3,203
4.400	Province of Ontario	March 8, 2016	4,871	5,122
4.400	Province of Ontario	June 2, 2019	10,409	10,543
6.500	Province of Ontario	March 8, 2029	3,879	4,641
5.500	Province of Quebec	December 1, 2014	1,282	1,447
4.500	Province of Quebec	December 1, 2018	5,433	5,491
6.400	Province of Saskatchewan	September 5, 2031	759	908
4.750	Province of Saskatchewan	June 1, 2040	866	872
4.570	PSP Capital Inc.	December 9, 2013	2,165	2,217
	Qualcomm Inc.	U.S. Equity		107
	Quance Equities Inc.	Canadian Equity		23
	Red Back Mining Inc.	Canadian Equity		4,132
	Research In Motion Ltd.	Canadian Equity		5,098
	Rogers Communications Inc.	Canadian Equity		59
3.270	Royal Bank of Canada	November 10, 2014	2,350	2,350
	Royal Bank of Canada	Canadian Equity		8,535
	Rutherford Properties Ltd.	Canadian Equity		687
	Saputo Inc.	Canadian Equity		207
	Shaw Communications Inc.	Canadian Equity		208
	Shoppers Drug Mart Corp.	Canadian Equity		120
	Sino-Forest Corp.	Canadian Equity		141
	SNC-Lavalin Group Inc.	Canadian Equity		126
	Southed Equities Inc., Alberta	Canadian Equity		7
	SPDR Trust Unit	U.S. Equity		1,254
	St. Martin Adidas	Canadian Equity		761
	Stericycle, Inc.	U.S. Equity		1,491
	Suncor Energy Inc.	Canadian Equity		8,290
	Talisman Energy Inc.	Canadian Equity		3,564
	Teck Cominco Ltd.	Canadian Equity		8,424
5.050	Telus Corp.	December 4, 2019	1,609	1,600
	Templeton Global Equity Trust	Pooled Equity Fund		3,368
6.000	Thompson Reuters	March 31, 2016	3,322	3,314
	Thompson Reuters	Canadian Equity		5,874
	Tim Hortons Inc. (CA88706M1032)	Canadian Equity		5,022
	Time Warner Inc.	U.S. Equity		2,338
	TJX Companies, Inc.	U.S. Equity		1,812
	Toronto Dominion Bank	Canadian Equity		1,326
	Transocean Ltd.	U.S. Equity		103
	Trestar Oil & Gas Ltd.	Canadian Equity		175
	Ultra Petroleum Corp.	U.S. Equity		774
	Varian Medical Systems, Inc.	U.S. Equity		1,515
	Wal-Mart Stores, Inc.	U.S. Equity		135
	Walter Energy, Inc.	U.S. Equity		1,782
3.970	Wells Fargo Financial Canada Corp.	November 3, 2014	4,375	4,376
	WestJet Airlines Ltd.	Canadian Equity		140
	WR Equities 505 3rd Street	Canadian Equity		7
	WR Equities Scotia	Canadian Equity		23
	Yum! Brands, Inc.	U.S. Equity		1,530
				$ 866,151

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